

**MINUTES OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
12:00 P.M., Thursday, December 14, 2006
City of Tucson Council Chambers
255 West Alameda
Tucson, Arizona 85745**

The State Transportation Board met in official session for a Study Session at 12:00 p.m., Thursday, December 14, 2006, with Chairman Jim Martin presiding. Other Board members present included: Si Schorr, Delbert Householder, Bill Feldmeier, Bob Montoya and Felipe Zubia. Joe Lane was absent. Also present were Director Victor Mendez; John McGee, Chief Financial Officer, Administrative Services Division; Dale Buskirk, Director, Planning Division; Sam Elters, State Engineer; Jim Dickey, Bill Hayden, MAGS Regional Freeway System Life Cycle Office and Barclay Dick, Division Director, Aeronautics Division. There were approximately 40 people in the audience.

Chairman Martin welcomed those present and led the audience in the Pledge of Allegiance.

Statewide Transportation Acceleration Needs (STAN)

Mr. Bill Hayden updated the Board on the status of STAN. During the past legislative session, Senator Verschoor and Representative Biggs, sponsored this legislation that resulted in House Bill 2865 and from that Bill is the use of general funds to assist in highway construction. From that program, a debt of \$370 million was allocated for statewide transportation projects or acceleration for state highways, bridges, interchanges, etc. Using a distribution formula for federal and state funds, the breakdown is 60 percent or \$184.2 million, which will be spent in Maricopa County, 16 percent or \$49.1 million in Pima County and \$73.7 million for the thirteen other counties. The \$184.2 million is increased as a result of the bonds of those funds and the accrual of interest which added \$9.2 million to the \$184 million, giving us a total of \$193.4 million for construction. Once activities can advance, we need to have made the determination and prioritization of projects that would be available for the funding around the state. And to assist in that process, a list of criteria was established, which includes, first (and most important) in Maricopa County, projects had to be identified and included in the Regional Transportation Plan and these projects had to be determined to be project ready. ADOT previously identified various projects that had been through sufficient scoping, had environmental work or environmental studies already begun and had a head start on the projects that had been deemed to be eligible at the first prioritization. Additionally, the project had to be underway or indicated well enough along that these projects could be advanced. And lastly, some funding was identified as potential use for right-of-way acquisition for advanced circumstances of development activities or construction. Therefore, there had to be at least sufficient preliminary environmental work that would identify those corridors, so that decisions could be made whether or not right-of-way funds could be used or should be used for start of development. With that background, this amount of work was collaborated between MAG staff and ADOT staff identifying various projects we considered eligible for STAN funding. We looked at those projects that would add to the existing system and would continue or advance projects that are already underway. Seven projects were identified that met those criteria and would be eligible. In the far west valley in Phoenix, I-10, a section about 5.7 miles on I-10 between Verrado Way and Sarival Road where we are going to add a general purpose lane for about \$46.9 million and that will be a continuation of the I-10 widening project, clearly meeting the process in a needed area and will be under construction in FY late '07 and FY'08. Secondly, I-17, good news for

commuters who use I-17, add a general purpose lane between Anthem Way and SR74 or Carefree Highway, north about 5.1 miles and this will be a continuation of a project ADOT already had planned, which will be a general purpose lane from Loop 101 north to Lone Mountain Road, the connection to Loop 303 and up to Carefree Highway. So we will have general purpose lanes, HOV lanes, the Loop 101 and Carefree Highway and then this additional general purpose lane north of there. Additionally, in the east valley, there are several projects, both of which are HOV lane programs. We are going to advance this section from SR51 on the 101, Pima Freeway from Tatum Boulevard to Princess Drive, adding HOV lanes, which will add to a long-term project that we have which will begin next year, in FY'07, which will add HOV lanes from Princess Drive all the way south to the 202 traffic interchange and the second portion of this STAN advancement includes continuing the HOV lanes from Baseline Road to south of US60 continuing down to 202. With the completion of these additional HOV lanes, we will then have continuous HOV lane service throughout SR51, through Scottsdale, through the Tempe area, Mesa area, Chandler area and down to the 202. Over on the west side, on the 303 loop, we have two projects added, first, part of the construction of the traffic interchange at Bell Road and the 303 and just south of there two other minor projects, Cactus Road at Waddell Road, where we are going to design and construct crossroad improvements. And lastly in the east valley, the Williams Gateway Santan Freeway to Ellsworth Road section we will advance \$20.3 million for right-of-way protection in that corridor east of the 202. There is considerable amount of construction in this area, Maricopa County and primarily the City of Mesa ascertained that the right-of-way acquisition in that particular area would be very beneficial in lieu of us having to go back after the fact and not only buy land but make improvements. The approval process has been straight forward to this point. The recommendations that you have heard have been a culmination of a lengthy evaluation process presented to the Transportation Policy Committee in November. They reviewed and after discussion concurred unanimously, that these set of projects should be forwarded to the MAG Regional Council. Last night, at the Regional Council meeting, these projects were reviewed. Mr. Eric Anderson, transportation director, made the presentation. There was some discussion, some comments but the set of projects were approved and recommended to go forward. The next step in the process is today's review. We will request that the Transportation Board approve this set of recommended projects for STAN funding and following that, should the Board approve that, reports will be prepared and presented to members of the Senate and House Transportation Committee in December followed by a status update presentation to the Legislature sometime in 2007. The process has been long, however, the individuals participating in the evaluation process attempted to achieve a geographic or a valley-wide approach that would provide balance. We think this has been accomplished through this process. Feedback that we have received is quite positive and we are anxious to move forward.

Mr. Schorr asked if there was any further action the Board needed to take. In reply, the Board, tomorrow, will be requested to approve the set of recommendations at the Board meeting.

Mr. Martin stated that Vice Chairman Joe Lane has been involved throughout the process as a member of the Transportation Policy Committee. So you have had a voice through that process. And when you look at the MAG region, there are a lot of players making decisions and we were able to achieve regional consensus with this plan. We did take a good look at I-10 and I-17 and we addressed some of those important issues from a statewide basis. And if you look at the plan itself, there are benefits attributed to the region from all over east, west, north, south. Everyone is happy with the plan itself.

Mr. Montoya asked for traffic data from the 17 and from the 101. In reply, the 101, Carefree Highway traffic volume was around 120,000 average daily traffic, increasing somewhat in the a.m. and p.m. and drops off to 80,000 to 90,000 north of Carefree Highway and then even more so as you get north of Anthem.

Mr. Martin noted that it drops off to 44,000.

A question was asked about how many lanes we currently have on the 101 between the Pima Price area. In reply, there are three in each direction for a total of six lanes.

It was reported that traffic counts for 2005, I-17, north of Carefree Highway between Carefree and Anthem, average volume in 2005 was about 60,000. North of Anthem, it drops off to 44,000. This is with two lanes in each direction. Pima and Price have three general purpose lanes in each direction and those facilities are close to 100,000 vehicles a day.

Mr. Montoya asked if there were any studies performed as to the anticipated traffic volumes in the next five years for I-17 and also I-10. In reply, on I-17, the 2008 projected traffic volumes are about 64,000 vehicles a day and with the improvements, that increases to 72,000 vehicles a day.

A question was asked about the Gateway right-of-way acquisitions. The question is how the statute reads. The \$20 million acquisition is programmed for 2014. Mr. Montoya said he was under the understanding that the legislature was asking us to accelerate projects that were in essence in the five year plan. In reply, the STAN statute does not provide any definitive time in terms of future time that current projects are scheduled. The only provision is that the projects that the MAG region happens to be in is the Regional Transportation Plan that covers a twenty one year period. In fact, the I-10 and I-17 projects that are on the list were actually phase IV projects; one in 2021 and one in 2023.

A question was asked about when concrete will be poured on that section of Road. In reply, it will be the fourth phase, 2020-2025; both areas in the first five years of the program.

To make one small correction, the Williams Gateway Freeway is scheduled for a phase III construction project which is 2016 – 2020.

A comment was made about this maybe being a valid economic prudent thing to do, but a concern was expressed about spending money when the Legislature wants us to see things paid in black. In reply, it's a valid point, but in this particular case, one of the considerations in looking at the STAN funding was what areas could actually save money in the long run and in this case through advance acquisition. We know that the City of Mesa's zoning process was in the process of converting the zoning in this area to commercial usage and it appeared prudent that we consider acquiring that right-of-way now as opposed to allowing a significant amount of construction.

Mr. Schorr asked: Are we building another Ahwatukee here if we don't do this? In reply, in the material we have, there is a phrase quoted for right-of-way projects. Project readiness meant that priorities already have been identified as sufficient certainly to allow acquisition for right-of-way to occur at the same time.

There was an issue when the City of Mesa came to ADOT and said they had a situation where they knew that construction was evident and they felt it would be prudent to use some of the

STAN funds to acquire that additional amount of construction which is close to the 202 freeway and Ellsworth Road. Again, it's a culmination with some of the members of the Transportation Policy Committee and the Regional Council, who suggested a much larger amount of the STAN funds to acquire advance right-of-way throughout the system. That is one project that managed to get through that prioritization.

MAG and ADOT started a fairly detailed engineering study for this corridor and completed that last year. We were able to define this corridor for the Maricopa County section. The Pima County section is undefined at this point in time. The other thing that is important to note is that the section at which Gateway Freeway from the interchange at Santan Freeway to Ellsworth Road, which is the section we are talking about here, there are no alternative alignments possible in that corridor. Because it is so narrow, there is a very short gap between Williams Gateway Airport and the Proving Grounds. Second, I can't speak for the full legislative intent, but certainly Representative Biggs and Senator Verschoor were both at the Regional Council meeting last night and I think both as part of the public testimony, congratulated the Regional Council on the selection of projects that were approved last night. As part of the House and Senate Transportation Commissions, I think they serve as an important part of this process too.

Mr. Montoya asked about projects on I-10, south to the Maricopa County line between Pinal and Maricopa. In reply, yes, we looked at that study but immediately south of the 202, at Pecos Road, we enter into the Gila River Indian Community. We have had ongoing discussions with them regarding I-10 and that certainly was a factor, but we have not reached an agreement regarding right-of-way issues and other issues associated with it. Any projects south of Pecos Road would be inappropriate to consider adding funding into, as we have several engineering and right-of-way issues to be resolved.

The MAG region will handle funding for that, it's just a matter of finalizing negotiations with the Indian Community for actual improvement.

Earlier in the presentation you said one of the criteria and a very important one, was project readiness. Although this project is certainly in your program, it really isn't granted yet to move forward, certainly within that timeframe within twenty four months.

SR 77 (Miracle Mile and Oracle Road)

Mr. Sam Elters updated the Board on the status of ADOT turning over several miles of SR 77 (Miracle Mile and Oracle Road) to the City of Tucson. This is for information only and we will follow up with the Board in the future when all the details have been worked out and bring this item to the Board for action. Greg Gentsch, district engineer from Tucson continued by stating that the information discussion would be appropriate with the Board meeting in Tucson. The item may be ready for the Board to take action on in January or February. This is a long-term goal of ADOT for Oracle Road and Miracle Mile, which both comprise about a little more than four miles of State Route 77 and I-10 in the city limits of Tucson. Both no longer are good functions of a state highway. You can't get people from point A to point B without going through the alphabet, if you will.

Mr. Schorr said, I take it that this portion of SR 77 lies fully within the jurisdiction of the City of Tucson. In reply, yes it does. It's in the City of Tucson boundary.

Mr. Schorr asked, does the City of Tucson have or are they in the process of obtaining their unofficial consent to this proposal. In reply, yes, that is our understanding. There is an agreement and we are working out the details.

Mr. Zubia asked to explain the process and the four year waiting period and what that refers to. In reply, ADOT, having the responsibility to operate the statewide transportation system, does have within its purview the ability to abandon any route. The stipulation with that is that there is a four year notice created whether we abandon it to whichever agency's jurisdiction, by default or if we abandon it entirely because it is no longer needed for any transportation purposes. Both of those can occur. Historically, we have never, at least in my experience, abandoned a route where we forced somebody. We've always worked it out by agreement. It works better on both sides.

Mr. Zubia asked how soon after the four year wait period is the official act. In reply, what will happen is by the agreements, with the letter of waiver for the four year period, there is no four year waiting period. It's a matter of the Board taking action to abandon the route and from that point it's basically instantaneous.

Mr. Feldmeier asked, what is the advantage to the municipality in this case. In reply, the cities and in cases where it's the counties, they like to operate their system to their standard if you will. We already actually have software where they do the maintenance on that because they are more geared to that. Our computers are not geared to work on city street traffic. The city has their own arena to where they can issue permits, make changes and operate traffic in the manner they see fit.

Mr. Feldmeier asked, in preparation for this, was there any particular thing that ADOT did to encourage the take back. In reply, yes, as spoken at the beginning, we got the repaving up to standard, where it's a freshly paved road. They don't have to go in and start replacing. We bring it up to where it's a desirable road to take back.

And in a larger sense, what kind of discussions are taking place with other municipalities across the state to relieve ADOT of the burden of these early traffic corridors? In reply, on a statewide basis, the Board never really invoked unilaterally the four year statute, because we have established partnerships and when the arrangements became apparent, we initiated discussions. Those kinds of discussions occur as the opportunities avail themselves. A couple years ago, we were working on identifying a lot of the potential routes and that created a little stir, so we stepped back on that. We did complete a comprehensive list of potential projects.

As an observer of Tucson traffic, I agree that Oracle Road and Miracle Mile function presently as a city street. I agree with this concept. Is it possible to extend this out further? In reply, that has not been brought up yet. There are some projects planned further north and in Oro Valley. When the time comes and when we can find a good way to re-think that route or bypass, it will need further discussion.

Pinal County Corridor Definition Study

The Transportation Planning Division (TPD) has completed analysis on the final segment of the North-South Corridor (Coolidge – Florence area) and presented an overview of this analysis and its recommendations to the Board. Mr. Dale Buskirk stated that earlier this year presented to the Board were the findings and recommendations of the Pinal County Corridor Definition Study. The purpose of these studies was to identify planning level corridors that would be required to accommodate travel in Pinal County under a build-out scenario. A map was shown that

embodied the findings and recommendations in the corridor study presented in February. At the southern end of the north/south freeway, there were two alternatives. At the time, we stated that there were some outstanding issues that needed to be resolved before one of the two alternatives could be recommended. In the subsequent year, we have done an initial analysis, have spoken to stakeholders and held additional public meetings to evaluate the two alternatives which we have titled 287 and 79. Those are our termination points. Stakeholders are an important part of the second phase and we did conduct interviews with Pinal County, City of Coolidge, Town of Florence, State Land Department, Salt River Project, various property owners and additionally there were a series of three public meetings that were held specifically looking at our evaluation of those two alternatives to the north/south. There were a number of concerns expressed at the various public meetings. First, there was a concern about the impact on existing and new neighborhoods and this was an impact that affected both alternatives. Also there were expressed concerns about the existing and new commercial developments. And finally, we heard there was a desire for access to the airport. In addition to additional stakeholder involvement in the participation, there was additional analysis conducted. In planning future corridors, traffic forecast is important. For this additional analysis, where we did need particular numbers, we did use the traffic forecast provided by the Pinal County Long Range Transportation Plan. The result of our analysis indicated that the termination of the north/south on SR287 attracts more future traffic than local roads when compared with the termination of north/south at the SR79. In addition to public and stakeholder concerns, there were a number of engineering and environmental issues that were addressed as part of our analysis. As you will recall from the earlier presentation, Salt River Project is in the process of locating a 500kb line. There were some positives to following that; but there were also some negatives. Another issue is the dam and general drainage issues in the area. There are a number of cultural or geological issues that would impact the location of an infrastructure. Based upon our analysis, we are recommending that the north/south corridor terminate on SR287. We feel that this corridor will serve the growth and development of both communities better. But I need to elaborate on the same caveat that we made in our presentation earlier this year. Mainly what we are recommending is a planning level corridor. We are not setting the exact location. We are not establishing the center line of the corridor. We are establishing planning level corridor which can be quite broad. It represents a general location for determination, not an exact alignment. What are the next steps? It would be our intent to prepare a draft resolution very similar to the one the Board adopted at its February meeting, incorporating the finding and recommendation of this part of the corridor definition for the north/south corridor and present that to you in a formal meeting. That resolution, as in the previous resolution, would adopt the recommendation and formally incorporate it into Move AZ and be consistent with the previous resolution. The issue came up earlier about where we stand on the Pinal County Corridor Definition Studies. We are moving into the design concept environmental report for Pinal County and have programmed funds for the conduct of those. Following Board approval, we would begin the engineering phase for the finding of the north/south corridor and if the Board approves the recommendation and passes the resolution, we can begin in the summer of 2007. It's anticipated that the DCR would take from two to five years to complete and environmental issues would have to be addressed. The DCR would determine the alignment and would result in a location design concept.

Arizona Border Infrastructure

Marisa Walker, CANAMEX Corridor Coalition, Eileen Colleran, Arizona Department of Transportation and Gail Lewis, gave a summary to the Board on the Arizona Border Infrastructure. CANAMEX provided a framework for some of the work we are doing with respect to border infrastructure. The confluence of border infrastructure, homeland security issues and international relations issues, is a challenging area and one we feel we need more time

to give the Board more background and information. First, at the CANAMEX level, is the tri-national trade corridor in which we are actively engaged in with our Mexican and Canadian partners. It is bottlenecked at the Arizona Mexico border all the way up and down the corridor. The second level is the international level and the relationships with our Mexican partners at the federal and state levels. At the national level, CANAMEX has identified several priority corridors that have rail and highway connections and at the federal level we receive funding for border related projects both from the Federal Department of Transportation, the General Services Administration and sometimes from the Department of Homeland Security. It often requires federal relationships with the State Department, as well as other entities. Again it's that level of complexity that is different from what we see in other projects. At the local level, the situation at Nogales for example, provides some dangerous areas for pedestrians, ties up local traffic during key times of the day and similar issues are being felt in the U.S. area, so border crossing infrastructure has ramifications on a global and local level. Therefore, it's an example of two things coming together. Because of a few complications, it's time to begin to engage the Board directly in some of the thinking and decision making about these processes. This is a federal priority and a state priority because we need to think about the free flowing of goods and people across the border and the security implications. We're happy to have this chance to introduce you to some of the issues along the border and look forward to responding to questions.

A PowerPoint presentation was shared to update the Board on things happening along the border. The big picture projects were highlighted, west moving east. Over in San Luis, the new commercial port down to the redesign in Mariposa and emerging discussions with the redesign potential with Douglas. What you see in discussion of these projects is strong relationships and partnerships that happen at the state, local, federal level working with our congressional delegate and our colleagues to the south in Sonora to make sure these activities are coordinated. In the President's '07 budget we have about \$42 million in for design and construction and have asked that it be expedited for the development of the dedicated commercial port east of the existing port of entry. The tentative timeline is to start construction next year and hopefully be open by the end of '09. This will be an important asset for our state, for the region to be able to separate that commercial traffic and pedestrian traffic and allow us to reconfigure the existing port of entry. Complementing these activities is the area service highway, which will be an important connector for the commercial traffic coming out of the port of entry. There have also been discussions about planning the safety inspection station to be located on the site. As you recall, when we came before the Board in February, we were advancing with the help of Congressman Grijalva, the designation of the western passage. A view and tentative plan for the commercial port was shown. Shifting to Nogales, it includes almost \$10 million for the modernization of that port, which is the largest port of entry to Mexico. We expect we would have to go back and seek an estimated \$90 million for the actual construction. In the interim, we had some major improvements with two new commercial links. We had improvements, such as a pedestrian and passenger port in which we added a lane for secured travelers. A Mariposa entry illustration was shared. The proposed reconfiguration of Mariposa was shared and discussed. Moving to Douglas, a project was discussed and actual discussions have been temporarily put on hold, but happening today across the street at the federal building, they are discussing the 75 percent status of the feasibility analysis to redesign that. ADOT is working on some efforts to put in the weight inspection station and partner with the City of Douglas on a road section upgrade, which will be an important asset to the region.

Ms. Colleran stated that most of the funding for the projects on the border goes through the Federal General Services Administration. The reason that is interesting for ADOT, is that it has a huge impact on our weight and safety inspection station and the roads either through the ports

or coming to or from. There have been changes that occurred with federal funding. With passage of SAFETEA-LU in August 2005, changes were made to the whole program for border projects. In T21, it was a national corridors and border infrastructure program and all of the funding was discretionary and was not part of our formula funds. While most of the funds were earmarked, we were able to get a lot of grant funding to do border infrastructure programs. For example, we received almost \$10 million in grants between 2000 and 2005. Under SAFETEA-LU, they changed that and separated the corridor program from the border program and the border program is now the formula program. It's a formula based on percentages and the percentage is given to specific dates that are identified as international borders. One of the problems is that it is part of our regular formula fund. What that means is that our border projects now vie with our highway projects for any funding. The other criteria for border projects are very broad. The border project must be within 100 miles of the international border. The project must include transportation and supporting infrastructure, construction of highways and related safety and safety enforcement, operational improvements, modifications of regulatory procedures and international coordination of transportation with Canada and Mexico. The results of one major change that funds could be used to construct via Mexico or Canada, is a project facility, actually facilitate across the border vehicle or cargo movement. While some state funding is available for border infrastructure projects, there also are safety enforcement and transportation infrastructure funds. The funds were specifically established to provide revenue for the enforcement of vehicle safety and maintenance of transportation facilities, including streets and highways within twenty-five miles of the border. Last legislative session, House Bill 2345 moved enforcement activities out of a set of funds to another set of funds, which freed up some additional dollars for border projects. The current process to fund projects requires that those recommendations be heard through the Joint Legislative Review Committee on Transportation between Sonora Mexico and Arizona and be included in a bill which identifies those projects in the funding. While this is one mechanism for additional funding for immediate border infrastructure like many of our transportation projects, there are more requests than funds available. With this in mind, we do have a process in place to prioritize our transportation projects for consideration in a five year plan. That process compares things such as basic performance data, accident rates, project costs and traffic volumes. On each project, it compares it against all other projects. Other criteria that it uses are the significance of the route, route continuity, cost effectiveness measured by the project cost per motorist served and also the recommendation of our district engineers. With all new projects that are being added by the General Services Administration in places like San Luis, Mariposa and Douglas, it is highly likely we are going to be asked to do more improvement and changes within the border infrastructure and it's important for us to remember that we have the priority programming process in place and we need to use it to help make the decision which projects meet the criteria and then get that into the five year construction plan.

Gail Lewis stated in summary, it is obvious that their workings along the border require us to think about things in new ways. We need to see if we can be more nimble in our processes so that we can grab opportunities that may come out of homeland security or on the Mexico side. We need to think about priorities. These projects are in the queue with other existing highway projects. It requires that we partner and think different about advocacy and issue management. In Washington, they require we work with agencies and maybe other departments with which we currently may not have good relationships. When you're working along the border, other issues not having to do with the border, infrastructure, or urban transportation can run the risk of getting intermingled with your issues. We appreciate the change to brief you on the border projects underway. We would be happy to talk to you individually or collectively about going to see some of the projects first hand. We would be happy to set that up.

Mr. Zubia asked regarding funding for Hoover Dam, to what extent have you looked at any funding through homeland security? In reply, yes we looked into that right away. Homeland Security was getting numerous dollars associated with it. What we ran into, was while it is a security issue, the bridge we are building is not a security facility. Congressman Franks asked that question in a congressional hearing and we went back and researched and were not able to get Hoover Dam bypassed to fit into criteria for a homeland security project.

Homeland security is a possible resource and we've been looking at the grants that have been coming out. They have been reduced over the years quite a bit and there is a struggle over funding right now. In Phoenix, we've been reduced dramatically in the amount of homeland security funds that are available. We are trying to identify projects that we can incorporate and possibly do some things with the Department of Homeland Security; maybe 50-50 leverage funds. That is a possibility. Yes.

Question: are automobiles going to start riding through the port? In reply, automobiles currently go through Mariposa. You just don't have pedestrians in that location. When established, they had it available for passenger vehicles. It's a little bit of a nightmare right now because of some of the development that is going on on the Sonoran side, where they are trying to work out having the trucks and the passenger traffic separated.

Truck By-Pass Study of Phoenix and Tucson

Mr. Si Schorr discussed the possible need for a study of an alternative route to I-10 in the Phoenix and Tucson Metropolitan areas. In order to fully understand the goal, we know that right after the New Year the construction on I-10 is going to commence and we know that it will be the largest construction project in the state and the largest construction in Metropolitan Tucson. We are going to be adding a fourth lane, auxiliary lane and other improvements on the stretch of I-10 from 29th to Princess. When this project is complete and other planned I-10 projects are completed, finished in 2010, we are going to have at least six lanes; eight in the metropolitan area on I-10 from Tucson to Picacho Peak. It's important as we do this, to take a look at the future. Any future widening of I-10 through Metropolitan Tucson is going to be daunting. There are geographical constraints that those of us who have lived in Tucson know all about. There is the river on the west. There are man-made constraints, the railroads, adjoined businesses, right-of-way concerns and sheer costs. Moreover, it's not going to be the greatest planning to have to waste all of this material, concrete, audit and ingenuity, which has gone into the project. I think that other future I-10 widenings, which are planned, are most necessary. However, I also believe that we may be witnessing the very last widening of I-10, as it goes through the Tucson metropolitan area. I am sure that the traffic consultants and engineers can tell us that the future loads on I-10, ten and twenty years from now, are going to be such that a widening will have to be called for. Therefore, we have to consider alternatives. There are alternatives to getting people to and from the Tucson metropolitan area and the Phoenix metropolitan area. They have to be pursued and with vigor. It is essential to the economy that the access time between the two metropolitan areas of Tucson and Phoenix be reduced and made convenient. We will actually have to be looking at commuter rail one way or another. There are other options that have been considered especially with respect to the overlook which is now going on I-17. A second level express level stacked on top of the existing freeway. From my experiences in Tucson, I think that is a non-starter. There are other corridors which are theoretically available, such as going into the river and building something along there. Experience also teaches that that is a most definite non-starter. In examining what other alternatives there may be and in discussions with district engineer Greg Gentsch, there is

something which had been talked about many years ago, at least to some extent, and that is bypassing both Tucson, which was studied a number of years ago and Phoenix, which I'm not sure of had been studied, to create a road, to go around Metropolitan Tucson and around Metropolitan Phoenix. There are maps which Greg has produced for us which show that route. Basically, it would avoid the Tucson Metropolitan Phoenix areas. A few statistics from the Department of Transportation are the ATV volumes on I-10 in Tucson which now see 150,000 vehicles a day. At least 62% of the ATV going through the Tucson area is interstate traffic. Of this 62 percent are automobiles, 38 percent is truck traffic. The I-10 through traffic coming to Tucson east to west is estimated at about 21,000 ATV i.e. 30 percent of the total traffic. Of these 21,000 ATVs, 8,000 are trucks. These 8,000 trucks are equivalent to at least 40,000 additional passenger cars and up to 95,000 additional cars per day per traffic congestion purposes. These 8,000 trucks per day are also equivalent to the staggering amount of 400,000 cars when you analyze the wear and tear to the highway pavement. That is to say the maintenance impact. The ultimate study group, which I am suggesting we do, would take off from some point from Willcox and Benson. The Tucson area of I-10 traverses the largest urban area along the entire I-10 corridor from Florida to California, from east to west that has no viable bypass or alternate route. The route I'm suggesting we study came up in my discussions with the district engineer and I believe Greg has discussed it with others as well. I've also discussed it with other transportation experts, both public and private in our area. We have previously considered a portion of this alignment as an alternate I-10 route. It is called Route 76. It would take off some point between Willcox and Benson, tag north and then west. It would go around the lines and around the mountains. It would link with a road known as Park Link Road. It would then cross I-10 and run parallel to I-10 until I-10 meets I-8 and then across west, hang a little north and link up with I-10 west of Buckeye. That route would bypass both Tucson and the Phoenix metropolitan areas. We all know that we've reached the limits of what a single freeway system can handle through the Tucson metropolitan area. Let me talk about some of the proposed benefits which I understand would accrue. It decreases the trip mile by about thirty miles. If you measure the points we're considering between Willcox and Benson and link to I-10 west of Buckeye, we would save about thirty miles. This all depends on the time of day. The opportunities to create this bypass route and the benefits have been studied. There also has been an I-10 coast to coast study which the Department has been made privy to which projects the growth rate in truck traffic to be doubled. The study by the eight I-10 coast to coast directors a few years ago recognized the operational and the huge financial burden of a program that continues to widen I-10 as much as they do. Again, let me hasten to add, I am not in any way suggesting we slow down on what we are doing with respect to I-10 and that all the plans that we have for widening between Tucson and Phoenix and west areas proceed. I'm merely suggesting that sooner or later we're going to run into real big problems as witnessed by the constraints we are going to be facing in Tucson. Even if all the transportation agencies, MAG, PAG, ADOT etc, have all the funding to accomplish this widening, it would be inefficient to do this in the urban areas due to the high cost of right-of-way along commercial frontage and the complexity you are adding onto existing infrastructure while paying to move expensive building and utility out of the way. You are certainly getting a glimmer of that in the Phoenix metropolitan area where we are trying to figure out how to get around South Mountain. We are facing staggering rights-of-way costs. We are trying to anticipate some of that in the east valley as well. There is only so much we can do to avoid that. A well planned bypass route will allow ADOT the opportunity to acquire the right-of-way, build additional capacity with far more efficiency and demand will lessen the impact of all concerned. So future benefits are also greater. The Tucson area will suffer more than perhaps others with respect to trying to get in and out of the area because there is no viable alternative freeway route. I think when we do this study, and I'm hoping that the Department and Board members will agree that we should do it, that there is a number of things

that have to be discussed; i.e. traffic demand distribution, a conceptual plan, enviro consideration, air quality issues, cost, cost benefit analysis and also consider private funding alternatives. This kind of system, because it avoids going onto the interstate system, could be studied with respect to having toll roads. If that were to occur, it might be funded by private sources and thus we would escape the enormous cost of construction of this road. There are companies and syndicates all over the world which have come to the United States and expressed an interest in building these systems for us. Some of them have actually occurred. I believe the State of Indiana sold a portion of its interstate to one such group and I know reading the literature there are other active players out there. Therefore, I believe that this is worthy of study. It would perhaps have to be described as a planning level corridor, perhaps more than that. I look forward to getting the input from the Board and the Department with respect to initiating the study and I would hope that we could initiate it forthwith and I also hope that once initiated it could be completed within the year.

Mr. Feldmeier asked what needs to be done by this Board to begin? In reply, Mr. Mendez said that it's pretty broad in scope and we'd need to think about the overall ramifications of the issue. For example, Mr. Schorr mentioned there are a lot of planning agencies that need to take a look at this, MAG, PAG, CAAG. Looking at the five and twenty year plans for various organizations, we need to do a study to see what kind of implications this would have on plans if this plan were in play.

Si Schorr responded: I respectfully disagree. The whole purpose of the study would be to see what the implications would be. The study would consider, strongly consider, of course, the input of MAG, PAG and all of the other relevant planning agencies. But if we're talking about first getting the sign off from the regional agencies, which are involved, we're talking about not doing a study. At least not in my lifetime or perhaps my children's lifetime. So, I would think that we do the studies and while we do the studies, we consider and make part of the study, the implications and the input from the directors of MAG, the directors of PAG and any other agency.

Mr. Mendez: All that I'm saying is in fact, that they made a presentation earlier today on the issue of working collaboratively with other agencies, other players and stakeholders on many issues. It seems to me, I'm not saying that we need to get sign off or approval. What I'm suggesting is before we undertake this big undertaking, as I see it, we need to get a sense of what the implications are. Just to ensure we all understand that if we go to step one that we are moving forward in a similar direction. If we, and I'm not saying that we will, I'm just saying that if there is going to be opposition from anywhere, we need to know that. That's all. As we look at some of the growth issues, we've had a lot of presentations. You're looking at issues that extend all the way from Yavapai County to Sierra Vista. Maybe this fits within that concept. Maybe it doesn't. There are a lot of things we have to think about first before we undertake this big study. That's all I'm saying.

At one point in time, there's a famous bridge to nowhere, can that be resurrected to see what that contains as a starter?

Mr. Schorr replied that in his discussions with the engineer, there is a lot of what is termed Route 76 and that there is by no means a bridge out there which you can simply incorporate into the system. But the right-of-way is there. It may have to be changed, but you had the beginnings of Route 76 taking off from the Willcox Benson area and rights-of-way have been acquired and I believe some of them were in the state system. I believe some of them are now in the county

systems. I have to believe that the county would be interested. Please do not construe what I am suggesting as we go it alone. If we can't get collaboration with the affected agencies, county, MAG, PAG, CAAG, etc., we will go nowhere. I am saying that as part of the study, we get that input and we collaborate. You don't first go to every agency, have to meet their time deadlines, their time considerations and after they say ok, then you go. That's my idea for a recipe for doing nothing.

Mr. Feldmeier said that listening to the pros and cons, he offers a suggestion, that the issue is the magnitude, but the issue is collaboration. Maybe the first step is to at least come back with a response in thirty to sixty days as to feasibility. What is the feasibility of putting something like this together? How many plans are there? How many MPOs are there? What are we faced with? What is the potential timeline from beginning to end to get it done? I think that ultimately it is a step in the right direction. I see some other folks from around the state out in the audience there specifically Mr. Greg Stanley. I'm sure that if he had someone in his county ten years ago say that we need a bypass on the highway, Mr. Stanley would have loved to have that happen ten years ago. So rather than step back and say that we can't do it and that there would be a lot of problems, one step in that direction would come back with some sort of feasibility of how we can approach it.

This proposal you are discussing works well into the future, well beyond the lifetime of each of the Board members. I think it is our responsibility, way beyond the improvements of I-10 of what we are discussing today and tomorrow. If we don't do that, who is? At some point somebody is going to need to do it. It has to be done. We are kidding ourselves if we think the plans in place today are going to be the end of the projects in the future. I think what we get here or should be getting here is certainly important enough to put our stamp of approval on. We should ask our director or staff to provide us a summary. As Mr. Schorr was discussing I-10, the importance of looking at I-17 and how we ought to look well into the future.

One of the things that might be examined as part of this is this one was penciled out. It might not be the correct way to go anymore. There may need to be other alternatives. We mentioned west of Willcox and north of Benson. There is San Pedro River involved and there is a reason why there aren't any cities in the north western part of Cochise and the south western part of Grant County. It's pretty pristine. Not only do you have a physical change, you have a sociologically change, as well. It isn't just building a road. There are a whole lot of impacts that need to be examined. The alternatives to be examined may not be the issue. I concur that there ought to be a bypass issue study for Tucson, but I'm not so sure about the Phoenix area. And how that works I don't know. And I think we need to look at some of those kinds of things.

I would hope that any intelligent study of all those considerations would be considered. This is not intended to be a route for the bypass. It may change drastically if it's adopted. It may be a total non-start if it did not consider the environmental factors, strengths and the areas it would have to traverse. I am not suggesting any short study. I am suggesting a comprehensive study. I believe it's time that the state and the Department start taking big, bold steps to try and plan for the future. We cannot continue to be reactive. We've got to be proactive. It may seem anomalous for this member with this gray hair to make that statement, but I believe it's true. We need to look at the future and try to predict it and try to meet it. It was quoted that a man's reach should exceed his grasp. I think we have to start applying that poetic emphasis in our planning.

It may be stated a little differently. We need to start thinking outside of the box. Without generating revenue, we are distributing revenue that is given to us. We now have to start

thinking about ways to start revenue for our roadways, whether it's a toll road or a joint venture. We need to start moving forward on this type of plan. I concur with Mr. Schorr and that this might not be the appropriate corridor but let's see what other corridors may work because if all the forecasts are correct for this state, we're in trouble right now. If we don't start thinking outside the box, we're going to be in more trouble.

Mr. Feldmeier asked what it will take to move forward. In reply, Mr. Mendez said that there is no action today because it is not on the agenda for action. He thinks we have enough direction to come back and further the dialogue.

Mr. Chairman, I would propose that we get a commitment for a feasibility study in the next thirty days.

Chairman Martin said, I don't know if we can do that. That's an action.

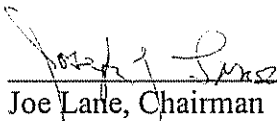
Mr. Mendez said, yes, we will bring back some information for you and figure it out from there.

We are going to talk about the study session so this could easily fit in there, correct.

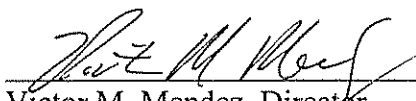
Sure.

Adjournment

No closing comments were made. The meeting adjourned at 2:15 p.m.



Joe Lane, Chairman
State Transportation Board



Victor M. Mendez, Director
Arizona Department of Transportation

**MINUTES OF THE
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, December 15, 2006
The City of Tucson Council Chambers
255 West Alameda
Tucson, Arizona 85701**

The State Transportation Board met in official session for a Board meeting at 9:00 a.m., Friday, December 15, 2006, with Chairman Jim Martin presiding. Other Board members present included: Bill Feldmeier, Delbert Householder, Bob Montoya, Si Schorr and Felipe Zubia. Joe Lane was absent. Also present were Director Victor Mendez; John McGee, Chief Financial Officer, Administrative Services Division; Dale Buskirk, Director, Planning Division; Sam Elters, State Engineer; Jim Dickey, Bill Hayden, MAG Regional Freeway System Life Cycle Office and Barclay Dick, Division Director, Aeronautics Division. There were approximately 75 people in the audience.

OPENING REMARKS AND PLEDGE

Chairman Martin thanked the City of Tucson for their hospitality and with Mr. Schorr, led the audience in the Pledge of Allegiance. Mr. Mendez also thanked the community and recognized a long-term employee, Mr. John Trojanovich with a 45 Year Service Award. His work history was highlighted and included the Arizona Highways Department in Claypool Arizona. Additional titles and responsibilities included Holbrook Shop Supervisor, Equipment Inspector in Phoenix, a special assignment in Springerville, District Equipment Manager in Tucson, Regional Equipment Manager and working with the first ADOT Roadeo. Mr. Trojanovich expressed his appreciation for working with fine people.

DISTRICT ENGINEER REPORT

Greg Gentsch, District Engineer for Tucson provided an update on Projects/Issues of regional significance. Mr. Gentsch introduced his core team and shared a slide presentation.

CALL TO AUDIENCE

Jim Glock, Director, City of Tucson Department of Transportation, welcomed everyone to Tucson. We are honored to have you here, especially given yesterday's groundbreaking for the Interstate 10 widening. We look forward to working cooperatively with Arizona Department of Transportation on that momentous project, which will keep us more than occupied for the next three and a half years. I express extreme gratitude with respect to the innovation and creativity applied toward keeping that Clark Street underpass open and functioning in some fashion during that construction period. That was extremely worrisome on the part of our business community on the west side of the interstate as well as the neighborhood. They will be grateful and I am as well. With respect to your agenda today, we are also anxious to have your support for the transportation enhancement recommendations of your Transportation Enhancement and Review Committee. We have two projects and we are grateful to the Board for their support. Again, welcome to Tucson and thank you for your support.

Gary Hayes, Executive Director, Pima Association of Governments and also on behalf of the Regional Transportation Authority, welcome and thank you for your support. I was remiss in Willcox and didn't thank you for your support of our STAN recommendations. I appreciate the help we got from ADOT

staff. I want to share my personal support for Mr. Schorr's presentation yesterday. PAG and RTA staff have been discussing the idea of a truck bypass. I also share with you that MAG and PAG and two other regional councils that will be affected by this, have also been discussing this. This is not a new topic.

Jim Kiser, Vice President, Southern Arizona Leadership Council, said that Leadership Council is an organization whose members include the CEOs of the largest businesses in Tucson, as well as key professionals in the area. We work to improve the economic climate, as well as the quality of life in the greater Tucson area. As part of that, our organization is deeply interested in transportation issues. Si Schorr, one of your members, is one of our board members and also is the chairman of the RTA. Our chairman is very involved in hundreds of hours in getting the voter approval for the Regional Transportation Authority. Our members spend thousands of dollars and thousands of hours on that process. This is a way of saying that we view transportation as critically important to Tucson. Therefore, thank you for what you are doing for Arizona and central Arizona. The groundbreaking for I-10 yesterday is a significant step that will improve access to thousands of people who come from the northwest to work or live in the city. On behalf of the Leadership Council, I encourage the study that would build a bypass around Tucson. Board members are also interested in the idea of that road being a toll road. Mr. Chairman, you were quoted this morning in the paper as being concerned with the environmental impacts and we of course share those concerns. We urge that any study consider environmental, social or economic impacts of several alternative routes. Only then can an informed decision be made.

Lee Blackwell, Santa Cruz County Representative, Valley Bicycle Advocates Committee, Bicycle Advocates of Pima County and Santa Cruz County, said that he lives in Santa Cruz County and is concerned with the increased traffic on I-19. A lot of that has to do with increased trade coming out of Mexico and a lot of road in Santa Cruz County. And our frontage roads are very narrow. It's very unsafe for pedestrians and bicycles along those frontage roads. The frontage roads themselves are looking pretty beat up and I'm thinking they are going to be scheduled for some upgrades. And I would like to see some widening either with grade separated pathways or widened shoulders from the Santa Cruz county line and Pima and Santa Cruz all the way to Nogales. Very little attention seems to be paid to that area and I noticed in the projections of population that Santa Cruz County was left out. I'm here to learn the process and try to advocate for our county.

Bill Adamson, Co-Chair, Santa Cruz Valley Bicycle Advocate Committee, said that the Committee is a private citizens group. It's independent. We have a goal to continue to be able to bicycle safely from south Tucson to Nogales. We are a regional committee. We try to address the bicycle safety issues. Speaking from the Green Valley standpoint, the only bicycle access south is primarily the frontage roads. We did a master plan two years ago and indicated the frontage roads would need a big shoulder in the future. We also had gaps in the bicycle network system in the Green Valley area. The future seems to be now. As you see from the population figures, as told recently, there is going to be over 100 new homes in the near future from Green Valley south to the rest area on the west side of I-19. This is going to tremendously impact both borders and the bicycles. We very much want to see your consideration of the I-19 corridor and border safety with increased attention. We will assist you any way we can in this matter.

In reply, one thing that your group might want to check out is the transportation enhancement applications that you can obtain. It probably wouldn't hurt you necessarily to coordinate with Pima County or Santa Cruz County. Mr. Alvarez can educate you on that process.

Our committee was instrumental in helping Pima County and ADOT last year. We won two grants and one includes improving where Continental Road goes under I-19 to widen that and put in a bike lane. And we're working closely with Mr. Gentsch. The programming is going to begin soon. Yes, we definitely will be doing more with that.

Dennis Alvarez, County Engineer, Santa Cruz County, said he's here to talk about a request for funding. We met with the director last night about the frontage road, which in the past, Board members would take the tour of the frontage road from Ruby Road to County Club in Nogales. When it was built in the 50s and 60s, the freeway was built to standard but the frontage roads were not. There are no shoulders and a few years ago, there was money programmed for design of the frontage road to a three lane section. I want to keep that in the forefront. The design is there. I understand a consultant has been selected and negotiations are underway with the consultant to begin design. In the meantime, I'm trying to be correct, Santa Cruz County has gone to the development community because there is a lot of planned development there and we want to get permits to fund some of the needed improvements. So we're asking that this become a priority in this funding year. We are prepared to participate. As future development comes in, there may be more money. The other project we're very interested in is another frontage road and it's to the north of that particular frontage road, Rio Rico to Ruby Road. This frontage road was never completed and not built to very good standards and it only served the existing ranchers. It dead ends about 4,000 feet short of Rio Rico Drive. We have been working with the developers there to get participation in there. Yesterday you had a discussion about turn backs. The county is prepared, if ADOT participates, to complete this 4,000 foot section, and if these lanes would exist there, to take back this roadway. It's a win-win situation. We get to take back the roadway. ADOT gets rid of the roadway with some participation and funding. We see that as an opportunity for ADOT and Santa Cruz County. I want to keep everybody informed that this is our desire.

Lanetta Lee Elliott, 2006 Tom Ford Award Winner, expressed gratitude to the Transportation Enhancement Board for the award.

Dick Basye, Board Member, Pima Association of Taxpayers, stated that last year local officials prevailed on the Governor to delay for some time reconstructing of I-10 downtown even higher than it currently is. The city then went off and spent \$200,000 to study lowering the freeway as Phoenix has done and many in Tucson wish to see done here. At that time, local officials already had in their hands a study that we had paid for.

Don Martin, Chair, Friends of Downtown, I have an engineering and manufacturing company here in town and I am here to represent the Friends of Downtown and the Downtown Stakeholders. We have a very simple but very important request. We are in the throes of downtown revitalization and we need to keep Clark Street open. There is a tremendous amount of revitalization taking place on the west side and the west side has always been a very difficult place to develop and we have a lot of people putting money on the line. If we keep Clark Street open two ways, they will be able to survive through this period. What you're doing with I-10 is important and it's great but we need to take care of the west side and keep Clark Street open. If you do that, we would greatly appreciate it.

Jerry Dixon, Chairman, the Gadsden Company, we're on the west side; we're doing a major development that is under construction right now. We have 12 home builders and 12 homes under construction with quality builders. We need Clark Street to be kept open.

Tom McGowen, Pima County, mentioned a couple of things going on that are very relevant to ADOT's role in the region. We're working very closely with the district office on I-19 and Canoa. There is about \$4 million in local funds that will go into that improvement. We're talking about building a roundabout on the west side of that interchange, ending traffic from ongoing Canoa Ranch development. I think that is very much in keeping with what Mr. Mendez has talked about with the Governor's initiatives on roads and development. We also are very appreciative of the support that the Board gave to the STAN funding for SR 86 in Kenney where we have a very active development project underway and we're improving Kenney Road within Pima County. I mention another initiative underway, in the early stages, but worth mentioning because it's relevant to the growth initiatives underway in the Governor's office. We've formed a four-county consortium between Pima, Pinal, Cochise and Santa Cruz that's only had its second meeting recently. Our intent is to cooperate with one another's county to talk about how we address the growth and need for infrastructure and need for so many other services. I was very interested in Mr. Gentsch's presentation and I would like to share this information with the four county groups because we are building a database of information on where state projects are being programmed or where the needs are and it would be useful information.

Adam Weinstein, President, the Gadsden Company, re-iterated the thank you for your support for keeping the Clark Street underpass open and the one way direction to east bound traffic. I wanted to be sure that we re-iterate that the two way component of that is absolutely critical to the life blood of the success of the gem show for our immediate neighbors, the River Park Inn, etc. along the west side frontage road. In addition, we are responsible for the mixed use development component of Mercado Park, which is the only project that is currently coming out of the ground and we are desperately trying to do our best to sell our products over there and bring people back to a vital downtown and not having the ability to have immediate access across that passageway for a three year period will dramatically affect our ability to deliver what we promised. I ask for your consideration and all the engineers involved with the study to focus on the feasibility that was put forth in the trans access study that was administered and please help us keep that open. It is critical that the connection remains viable for us, not just during the day and occasionally on the weekends, but continually through the course of construction. This is a big, big deal for us in Tucson. We have finally unified the two sides of the Rio Nuevo and with this project. We need your support and appreciate your intervention.

Mr. Schorr commented that we've spent a lot of time trying to understand that issue and work with the district engineer and Victor Mendez. The director and I understand that we will, to any extent possible, try to keep as much of Clark Street open as we can, mindful of the obligation we have for the contractors who are building I-10 and safety concerns. And certainly we very much understand that we cannot afford to block access on Clark during the time of the gem show. So we understand those issues and I am confident that the district engineer and the director will try every way that they can to see that that comes about. If you feel unhappy about it, please feel free to contact the district engineer, tell him about your concerns and I'm sure they will listen to you very carefully.

CONSENT AGENDA

Si Schorr recused himself from Items 52, 53, 54 and 56.

Director's Report

Mr. Mendez provided an up-to-date report regarding current issues and events affecting ADOT. The first issue is we've had less than 24 hours to sit down and strategize on the issue. This is what I'm hearing. The Tucson bypass issue, as I recall the discussion yesterday, a member, Mr. Montoya also talked about northern Arizona that's part of the bigger study that we might undertake, or perhaps it was Mr. Feldmeier. One of the things I would like to touch briefly on and I don't necessarily need feedback from you today, (certainly I will take it, but that is something for us to mull over in the next 30 days and we'll come back to you after that meeting.) A couple of us did get together to strategize. Briefly, we're looking at an historical study, a previous study of highway 78 to try and get a sense for what the intent of those studies were and what the thinking was about those highways. We also will look at the current assessments or studies that are underway throughout the entire state. As an example, yesterday, on the northern Pinal County issue, where we are undertaking those studies, I know there were a lot of questions about Pinal County. A couple years ago, you all actually approved Move AZ, our twenty year plan. I'm not sure who was here at the time, but certainly a lot of you did support that entire effort, so we need to bring that back to the table. There are also many other activities underway. At the state level we are putting together a study looking at what the issues are on a statewide basis and looking at some of these same issues I heard about yesterday. We also will come back and provide you with a brief overview of what we believe the scope ought to be given what you've heard. We just want to make sure we're all on the same page before we actually jump into anything and hopefully be able to give you a sense a timing and the scope as we understand it and the cost of the undertaking of the study. And obviously you are going to have to make some priority decisions as to how to fund something like this. One of the speakers mentioned environmental issues. I understand we're looking at maybe some high level study feasibility planning type study so we won't be mitigating or resolving environmental issues but clearly it will be important for us to identify the high level issues such as you suggested yesterday, Mr. Chairman. That is what we've strategized so far. If you have any thoughts we can talk about it right now or you can digest it and give me a call individually. We will work for the next thirty days and try to figure out what this scope is really all about.

Mr. Schorr stated, I think you were referring to Highway 76, (yes), that would include not only in Tucson but the Phoenix population. It's very important to keep that in mind. With respect to scope, I would be happy to give you my idea of what I think the scope is. Regarding the cost of this study, (and obviously we need to know that) you should consider whether there may be federal administration monies available for that. When you look at this issue, look at that to see if there are monies currently available or whether they should be specifically allocated during the next few meetings of the Board. With respect to the environmental issues, you cannot do anything today, let alone build a major bypass route, without thoroughly considering environmental issues. However, the time to consider them is a part of the feasibility study, not within the next 30 days, because there are environmental issues galore on every single road and project that we will do. So the focus is to have all that in a study session next month.

Mr. Mendez: I know that we are not going to resolve any environmental issues in the next 30 days. What I'm proposing to you is coming back within the next 30 days with a full legitimate scope that we can all agree to, that identifies to some level what we're going to have to deal with. For example, environmental issues and some of the high level items that we are aware of at this point in time. You mentioned the Phoenix bypass. There are some efforts underway in that regard. We will lay that out on the table too. Again, we all have to be on the same page to make sure that whenever we undertake this study, we understand the full scope and the timing and the cost. I think we're talking about the same thing. I want to make sure that I'm understanding what you need and that you are understanding what we will be doing.

Mr. Schorr: From my perspective, we are not wed to any particular alignment. Maybe the beginning point or the ending point, depending on where you live, is not in the Willcox or Benson area. Maybe it's further east. It may be in New Mexico. So when we consider this as far as the feasibility study, we can certainly consider what variations there may be to the alternate. So it is not important at this time to focus on the exact alignment other than to say that we are looking for a bypass route, which will accommodate truck traffic and through automobile traffic so as to avoid some of the dangerous sections on I-10 and the Willcox Benson area and also to try and get around the metropolitan area of Tucson, around the metropolitan area of Phoenix and whether it goes five, ten, twenty miles in one direction or another is probably not as important. I think we should focus on the feasibility of that, not try to look at particular points and see if they are subject to fault, because they will be. We're looking at a very broad based study in my opinion.

Mr. Mendez: I think we're saying the same thing. Again, I think in 30 days I'll come back to you with the scope. And again, give me your ideas over the next 20 days so I can get something back to you in 30 days.

Mr. Mendez reported on one other item. Earlier this week, I sent you information on the Governor's Growth and Infrastructure Initiative. We spent about three days with the Governor. At various meetings she met with all the mayors from throughout the entire state at a summit and with the supervisors she did a separate meeting but with similar discussion. We also spent about a day and a half with an expert on growth and growth related impacts. We've been working with the Governor as you're aware. She did create earlier this year the Governor's Growth Cabinet which consisted of major state agencies, housing, transportation, water, environmental quality, commerce and several others to bring back to her a recommendation based on input that we've received from all the various stakeholders and clearly from a transportation standpoint, your concerns. I know a lot of you did attend the Acceleration Summit that was sponsored by businesses throughout the entire state of Arizona. Her concept applies to all infrastructure, not just transportation; we're talking about water infrastructure. At some point, she'll be looking at housing issues, schools, etc. It's a broader issue than just transportation, but clearly it does affect transportation. As I convey to you the ten concepts for a livable Arizona based on some of the information that she looked at, she did discuss the concepts at the various summits earlier this week. I would like to highlight the ones I think have impact to transportation. Some are clearly for water and some clearly for housing; I'll skip those because of time issues. The first one she talked about is to enhance the state's capacity for planning. On a planning basis, again looking just beyond transportation, we have a lot of growth related impacts related to the entire state of Arizona. We have our planning division with ADOT and commerce has similar kinds of economic development planning capacity and water has their own plan. The question becomes should we be better able to leverage the planning capabilities not only from an efficiency standpoint but really

look at the entire impact of growth, not just look at these things in silos. She's looking at that and maybe even considering adding additional resources for statewide planning capacity. She has been making it very clear at the summits she is not saying we are developing a master plan in the Phoenix area; that is not the intent. The intent is to be able to leverage and provide support throughout the entire state on all the planning issues. Concept number four is to expand capacity of the state authorities to help local governments fund infrastructure. She's looking at adding additional capacity to local communities and funding roads, transit, schools, water quality and quantity at reduced costs. Item number five is to accelerate construction of state roadways and expand other transportation options around the state. Her concept being the ability to use partnerships and financial mechanisms to accelerate construction of planned roadways and to build and expand transit and rail facilities. She is looking beyond the traditional highway and freeway approach. We're looking at a broad spectrum of surface transportation initiatives and how we may accelerate some of that. Item number six is to reward quality local planning efforts and promote cross jurisdictional planning for state grants. The best example we've heard is where we are having four counties coming together to actually look at issues on a regional basis rather than county by county or city by city. When we look at issues on a broader basis, our ability to actually deliver a better solution is increased. Concept number nine is to direct state agencies to consult with Tribal governments on growth and planning issues and encourage local governments to do the same. There has been a major focus under her administration for all of us to better coordinate with Tribal communities. One example is often many times we have the urbanized areas that abut right next to rural Indian community land, communities will make decisions based on jurisdictional boundaries and then you go tell the Indian community by the way, we're building 20,000 houses and without necessarily consulting and not giving them the opportunity to address the impact of those decisions on the Tribal land. Those are the items I think are important. One of the things I planned on doing is to be able to hold individual interviews with each of the Board members so we can gather your input and then take the next step with the Governor and identify specific strategies. I was informed recently that from a local media standpoint that may not be the way to do it. So we may do a study session or special Board meeting to hold these sessions. My approach is to do this individually, not that I'm polling anybody but to gather individual interviews and gather your thoughts. But that is tabled so we may be holding a special session with you.

Chairman Martin: As Mr. Feldmeier said last month, they are very receptive to the Board's input.

Legislative Report

Kevin Biesty provided an update on State and Federal Legislative issues, including proposed legislation which may affect ADOT. The Senate has announced their committee make up and you have a list of those committees and the members on those committees. The House has yet to announce the committee make up. Once I have that I will send it out electronically. Also enclosed is a brief high level summary of the members that have been elected and their bios. I may have something more in detail later this month and hope to send that out to you as well. Bills are already coming out that we are reviewing. We are keeping a strong eye on bills that impact our funding. I believe there is going to be quite a bit of discussion on more funding for transportation this year. It's still a high priority at the legislature. Our former Senate transportation committee chairman, Thayer Verschoor, is now majority leader and he is already talking about revisiting some additional funding for transportation. I am confident that with the leadership we have with Governor Napolitano and Director Mendez we are going to do pretty well this year. On the Federal side, it's being reported that Representative-elect Harry Mitchell has been assigned to the transportation committee. That is great news for Arizona. I will be back in D.C. in March and look forward to let him know what some of the priorities are for the

State of Arizona. As far as the current Congress, with funding, they passed a continuing resolution to keep the funding through February '07. It's being reported that the new appropriations chairs in the Senate and in the House are going to, after that resolution passes, continue the funding through the ending of the Federal fiscal year, with no earmarks. What that means is if that were to occur, we probably wouldn't get any additional funding for '07 for Hoover Dam. We're letting our delegation know how important it is for us to continue that funding.

Financial Report

John McGee provided summary reports on revenue collections for Highway User Revenues and Maricopa Transportation Excise Tax Revenues, comparing fiscal year results to last year's actuals and forecasts, and reported on interest earnings, HELP Fund status, and other financial information relative to the Board and Department. The HURF collections for November total \$106.1 million, even with the November 2005 revenue level, and 5.6 percent below the forecast. Year-to-date collections total \$550.2 million, an increase of 3.3 percent over the same time period last year, and 1.4 percent below the estimate. There are two main areas significantly lacking the estimate. The first is Use Fuel. Use Fuel sales are over the sales from last year about \$3 million but we are working with the revenue staff in MVD. There is a significant level of use fuel refunds being processed this year compared to last year. In the Other category we know what the difference is, that is due to significantly higher credit card fees being paid to credit card companies. In more and more of our offices our customers are able to use credit cards for payment and we are incurring credit card fees that we have not in the past. The October 2006 RARF collections totaled \$32.1 million, an increase of 8.7 percent above October 2005 and 0.5 percent above the estimate. Year-to-date RARF revenues through October 2006 total \$127.5 million, an increase of 8.4 percent over last year and 0.3 percent above the estimate. Both Contracting and Utilities continue to show stronger than estimated growth. Retail Sales and the Other category continue to lag the forecasts. We continue to do well on our investments with the higher short-term interest rates. Interest earnings for the month of October total \$4.985 million, representing an average investment rate of approximately 4.91 percent. Year-to-date earnings total \$14.302 million for an average investment rate of approximately 4.75 percent. The HELP fund balance for the end of November is \$100.417 million. This balance is up approximately \$3 million as a result of approximately \$2.5 million in loan repayments and \$500,000 in interest income. While this balance may seem to be high, in looking at how we do our cash flows and estimating how much we would have available for loans, we knew we would have to be building our balances. The HELP program still has six projects that the Board has approved which have not yet been funded. The total funding for those six projects, all of which we suspect we will begin funding over the next several months is \$58.9 million. We still have a fairly significant commitment on loans yet to be made. And this coming August, we will be repaying our outstanding BFOs and then reborrowing them. Because we have to do this on a cash basis, we will need a cash balance in the account in the amount of a little over \$60 million in order to do those transactions. Between the \$60 million we will need in August and the roughly \$60 million that we still have in outstanding loans that have been committed, you can see that the \$100 million in the account really isn't out of line.

Financing Program

John McGee provided an update on financing issues affecting the Board and the Department, including HURF and RARF Bonding, GAN issuances and Board Funding Obligations. On or about December 28 we will be making our semi-annual debt service payment. That payment will total approximately \$79.3 million which represents about \$34.6 million payment of HURF interest on our current outstanding HURF debt. No principal remains on HURF; scheduled all of our HURF principal

payments come due in July. Along with the \$34.6 million of HURF debt service we also will be paying about \$44.7 million of GAN debt service; \$37 million of that will be principal and about \$7.7 million of interest. Once those payments are made, the Board will have outstanding approximately \$1.5 billion of HURF principal and \$288.4 million of GAN principal for a total of approximately \$1.8 billion outstanding debt. Over the course of the last three to four weeks, the market has seen a fairly significant drop in interest rates for municipal debt. And they have dropped to a point that the Board currently has \$80 million worth of bonds that if we could refund those bonds at today's rate, would generate the threshold of four percent or greater savings that we are generally looking for. That would equate to approximately \$3 million worth of savings. The problem is that those savings which are being generated at an interest rate that is about the lowest level that we have seen in municipal bond interest rates in the last ten years and nobody really knows if that is going to hold up for any length of time. This last couple of day's interest rates seem to be turning around a little bit. We have three very esteemed underwriters present today and I asked them where they thought interest rates were going and I got different answers. So we're not exactly sure whether these interest rates will hold to this point or not. Given the fact that we have these bonds, they would generate a decent amount of savings. We do not have, because this has happened so quickly, a direction to proceed to start doing some of the work on this. I believe it's in the Board's best interest that we begin working with our financial advisor and our bond council and probably start looking at least beginning to draft a resolution for the Board's consideration such that if rates remain at these levels over the next four weeks, we would ask the Board to adopt a resolution to go forward with a refunding. We will probably ask the Board to adopt a direction to proceed resolution and approve the resolution itself and possibly an underwriter all in the same meeting. Again, we're not sure and will know in the next few days we may get a better indication of where interest rates are going. It appears that if they hold up for the next several weeks we will want to take advantage of the amount.

MINUTES – APPROVAL

Board Action: A motion to approve the June 23, 2006, Board meeting minutes was made by Mr. Householder, seconded by Mr. Schorr and passed unanimously.

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2006 BOARD MEETING, PUBLIC HEARING & STUDY SESSION **DATES AND LOCATIONS**

December 14, 2006 – Study Session – Tucson

December 15, 2006 – Board Meeting - Tucson

Alternative Project Delivery/Construction Management @ Risk (CMAR)

Sam Elters stated that we presented a concept at a Study Session in October regarding alternative project delivery methods, Construction Manager @ Risk and Job Order Contracting and informed you at the time that we would be coming back to you with specific information and recommendations as far as the Board's role in these project delivery methods. We will present each individually; there will be discussion on the project and recommendation for approval of future contracts. Mr. Julio Alvarado, State Engineer for Construction will lead the presentation for each item and after each, we will be asking for action to approve what is presented. Mike Manthey, State Traffic Engineer was acknowledged as well.

Julio Alvarado stated that back in 2005, legislation was passed to allow two alternative delivery processes. Today we request the approval to implement CMAR and ask Transportation to approve the process along SR 89. The project that connects Prescott to Chino Valley is programmed currently at \$21 million. This is 2.8 miles in length and the project duration is estimated at 18 months. The scope of the project is, currently it's a two lane road, to widen to a four lane road with a curb median, drainage improvements, anticipated three traffic signals and to consolidate several driveways for access. A demonstration was shared showing contractual responsibilities. It is similar to our current Design Bid bill. The relationship is we have a contract with the architect and a contract with construction. This is on a qualifications basis. To summarize the selection process, basically there are three steps and the request for qualifications which goes out to the contractors is a two step process. We solicit as many contractors as possible to perform work. This list is then shortened down to three firms. The next process is these three firms are then interviewed. After that, we establish an RFP, the basis of the fund system, what's going to be the worth for their qualification, what's going to be worth the interview. We take those two scores and negotiate the highest qualified bidder. Part of that negotiation is a pre-construction stage which involves the contractor and developer, which is unique. The first phase is a pre-construction phase. The second phase is construction contract that we enter into negotiations on the total scope of the project. That contract is broken up into several areas. The request to the Board to develop the process for these types of projects: the first bullet in the hand out is our basic program right now, the project is developed, and the Board approves the project and approves the project amount. Since we're selecting the contractor based on qualifications and negotiating a guaranteed maximum price, one of our recommendations is a guaranteed maximum price is below program amount. Basically, the Department executes a contract with the oversight of the State Engineers Office and then we start construction. Periodically, we also come back to the Board on key milestones and budget to keep the Board informed of the status of the project. When we start our negotiations, if we hadn't kept up last year, we would have some issues on some which were anticipated, cost, and labor. This is an avenue when we are negotiating, those are the reasons the prices are out on the budget. The Department will not reach an agreement with the contractor. If we are over the program amount, we come back to the Board and present why we should reach an agreement and negotiate the guaranteed maximum price. At that point, the Board approves it, the Department gets these contracts, through the State Engineers Office and the Department starts construction. And keep the Board informed. We do improve the process, once we start that advertisement, the process continues and if the Board does not approve the contractor at that point, we can bid provisional.

Mr. Montoya: I believe that in our current contract approval, it has to be over a certain amount for us to participate. Is that correct?

In reply, yes, it's usually three to five percent bid. It varies from program amount.

Mr. Mendez: We currently have a conventional process. We come to you with every project on the agenda, if it's below ten percent overrun, we discuss it under the consent agenda. We present it to you and heard your direction at the Study Session in October. Keeping in mind the intent here is to streamline the process and construction. We want to be able to continue to move and award and begin construction. You had indicated that you were comfortable with the fact that we can execute a contract at the District Engineer level. We will ultimately get to that point but until we get our arms around it and are comfortable, those contracts will be executed at the State Engineer's Office.

Mr. Schorr: Does the statute permit that degree in the description?

Mr. Montoya: The statutes as far as I understand them do not specifically address this area. That is why we took the approach in developing a plan and come to you for conference.

Chairman Martin: Are you requesting that we go ahead and adopt the process?

Mr. Mendez: We are asking you to approve this project, to be a project Construction Management @ Risk and also approve the process itself.

Chairman Martin: Would you like to amend the motion for the process as described to include your percentage allowance.

Mr. Montoya: I would.

Board Action: A motion to approve the process as presented with an addendum that adds that the state engineers can move forward on those projects if the costs do not exceed five percent without coming back to the Board subject to legislative or legal interpretation was made by Mr. Montoya, seconded by Mr. Schorr and passed unanimously.

Alternative Project Delivery/Job Order Contract (JOC)

Mr. Elters introduced the item and turned it over to Mr. Alvarado. Mr. Alvarado stated that the Job Order Contracting is a two step process to get jobs as quickly as possible. We select certain types of projects and are requesting the Board to approve the Job Order Process and the budgeting at that time. Three types of projects we're looking at are traffic signals, highway sign and erosion control. Currently we are anticipating on the traffic signals coming back to the Board for approval of budget of \$1.4 million and in the fiscal year start the study and currently we're looking at four locations Cotton Lane, Happy Valley Road, Camelback and in the Safford District, US 70 to Third Street. In the signage rehab we are looking at for 2007, \$3 million and for erosion control \$1 million. In summary, with the selection of the contractor, we select them based on qualifications. Once we select the highest person with qualifications, we enter into negotiations. In negotiations we have a typical standard traffic interchange; we negotiate those items up front and a task order is developed. We might have to have additional work. Same thing for signage, the intent is for the Department to put by design. A lot of the hardware is part of the contractor's responsibility. The next dollar amount is \$1 million and that is per Task Order. Today we're asking the Board to approve the Subprogram to be a one step process that we go and the Subprogram will be funded and Task Orders will be given out in the future. The next step, the Department executes, negotiates and does the selection based on qualifications. Once selected, it is the intent for our Department to execute a contract, again at the state engineer's level and then we will proceed with the contractor to start work that will be on individual Task Orders. The Department would come back with an update for the Board on the success of the program.

Mr. Zubia asked about the distinction between the CM Program and Job Order Contracting. In CM Programming we would see each project come in where we would agree to approve as a Board, the maximum price. Job Order Contracting is different with respect to approving the \$1 million for the subprogram and then you would have the authority to go out and enter into contracts individually. I

support that as well given that distinction, one of the things I would like to request is modification to the program that we get an annual update. I actually would like to ask for an annual program update in perpetuity so we can keep up to speed with what is going on in that program.

Mr. Elters said you are very kind to ask for a yearly update; we were planning on an update either on a quarter month basis or six month basis, twice a year. Whatever the Board's direction on this we'll gladly comply. As you eloquently stated, you approve the subprogram amount and we select the project and the intent to allocate is to let you know what project we will spend on and the amount on each project.

Chairman Martin asked if we're being asked to adopt the process, do we want to name the specific three areas that we're limiting this to?

Mr. Elters replied that we are asking you today to acknowledge those three areas. We do see in the future a potential to expand the use to other areas and we will come back to you and ask you to include them in the list, so you are aware of what project areas we are using this method for. Today, those are the areas that we believe we will be utilizing and for your approval.

Mr. Mendez reiterated what Sam said, and added, make a motion so we don't lock in on just these three. There could be other programs, if you will. We're asking for approval on the process, acknowledging these three, but it could expand to other types of subprograms.

Mr. Schorr asked what does the statute provide with this respect.

In reply, the statute does not identify how many areas we can use this process for. It does state that the maximum will be \$1 million. It really leaves it open and we could come back in the future and ask you or suggest to you that some would be added to these. Today, those are the areas that we see as areas that we can officially utilize.

Mr. Schorr: Does anyone know what language the statute says in that regard; usually the definition in the statute makes clear whether the authority is proposing discretionary or limitation or what the qualifications are.

In reply, the statutes do, for the first year, limit us to three pilot areas. Ironically, it expires in a couple weeks, December 31 and then it's unlimited. Again, we are in compliance with the statutes as of today and those are the areas that we see very applicable for what our needs are at this time.

Mr. Schorr: May I simply suggest that for those three areas, if there is a decision to go into other areas, we simply be informed so we know what is happening. I don't see any problems.

Board Action: A motion to approve the process for Job Order Contracting and that would include the three areas that were discussed with a six month update, was made by Mr. Montoya, seconded by Mr. Feldmeier and passed unanimously.

Status of Area Service Highway Project in Yuma (ASH)

Mr. Elters updated the Board on the status of the Area Service Highway Project in Yuma (ASH). We discussed this at the last Board meeting and you asked for an update and it is as follows. We have

received the habitat mitigation plan from BLM that we were anticipating. We have reviewed it and it appears very reasonable. We have a meeting coming up with the Bureau of Land Management next week. It will be with the deputy director. We expect to finalize the plan by the end of December. With that we will be able to proceed to address the comments from the public hearings and public meetings that we held and begin to finalize the design concept to be ... the environmental assessment document. We do anticipate completion of the DCREA by the spring of next year. With that in mind, as soon as the document is completed, we can begin construction, we can advertise. The first project on this road which is outside the mitigation area will be from 40th Street to I-8. As far as the area impacted by mitigation we are required to install a special fence and to ... before construction. We are limited as to when we will be able to do that work. That is primarily from April to September. With that in mind, we will coordinate the advertising and the construction of the fence as well as the construction projects to follow in those areas. We anticipate that the Avenue E to Avenue B we will advertise that in early 2008 and start construction in the late spring of 2008. We need to arrange boundary. We would advertise that in the summary of 2008 and begin construction in October. Range boundary to 40th Street will also likely to go out about the same time. We will as we get further in the design revisit those that will be a possibility depending on the condition to either combine those two or stagger them in a way that they don't impact each other. They will both be ready in the summer of 2008 to be advertised for construction to begin at the end of October 2008.

Mr. Feldmeier said that the MPO and other groups that are part of the transportation in the ASH project have been working on this for a number of years. Congressman Grijalva's field person was in attendance at one of the three meetings I attended that day and Congressman Grijalva's office expressed great interest in this project and is interested in following through as well. I'm not here to speak for them obviously but I think their district director planned on being here today. I want to make sure that as part of this discussion that his office is kept informed as to the progress. The engineer's office and director's office will be in charge and if you are providing that information to the district engineer, he can provide that information to the different transportation organizations in Yuma that would also be helpful. I would like if you would prepare for me a one page or half page of the planned program dates so I can have that recap in my file for the future. I thank the staff for the fine work they have done over the last sixty days to keep this project on track. It is important to the folks in Yuma. The discussions began in 1981. If we'd know what it would cost to construct that in 1981, we'd all cry today.

In reply, we will provide both to you.

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

STAN Projects as recommended by MAG
(Maricopa Association of Governments)

Board Action: A motion to approve the above recommendation was made by Mr. Schorr, seconded by Mr. Zubia and passed unanimously.

TERC - Round 14 Recommended Projects

	Local Sponsor	Project Name	Federal Aid
a.	Avondale	Pedestrian and Bicycle Safety Program	\$11,316

Pascua Yaqui Tribe	Vat Itom Voo'o Pedestrian Path	\$500,000
Yuma	Yuma Main Canal Shared-Use Pathway Extension	\$500,000
Flagstaff	Route 66 E. Flagstaff Urban Trails System: Country Club Drive – Mall Drive	\$466,569
Phoenix	South Mountain College Pedestrian Crossing	\$491,151
Sierra Vista	Coronado Drive MUP Carmelita Drive to Tacoma St.	\$375,991
Winslow	Renaissance on Route 66 Ph. III	\$500,000
Prescott Valley	PV Pipeline MUP Ph. I: Southern Terminus	\$500,000
Glendale	Grand Canal Pedestrian Pathway: L101 to N. 107 th Ave.	\$500,000
Tucson	Treat Ave. Pedestrian Bridge and Walkway	\$170,087
Pima County	Picture Rocks and Desert Winds Provisions for Safety and Education Activities for Pedestrians and Bicycles	\$500,000
Kingman	Eastern Pathway Ph. I: Hualapai Mtn. Rd. to Louise Ave.	\$500,000
Apache County	Tsaile Multi-Use Trail	\$471,500
Gilbert	Heritage District Downtown Pedestrian Project	\$500,000
Coconino County	Pinewood Blvd. Sidewalk	\$500,000
Pinetop / Lakeside	Woodland Road Sidewalk	\$164,719
Tucson/ Pima County	El Paso and SW Greenway, Ph. I: 22 nd St. to Cushing St.	\$457,833

Total \$7,109,166

b.	State Sponsor ADOT	US 70 Duncan Sandra Day O'Connor Walkway MP 378.9	\$205,178
		SR 179 Sedona Pedestrian Lighting and Landscaping Improvements	\$450,000
		SR 347 & SR 238 Maricopa Sidewalks Improvements Ph. I	\$479,834
		US 60 MUP MP 107.5 – 108.9 Wickenburg	\$855,708
		SR 64 Tusayan Enhancement Project	\$759,162
		US 60 Apache Jct. Exit 197 Landform Graphics	\$623,761
		US 95 Somerton West Gateway	\$540,936
		Total	\$3,914,579

Board Action: A motion to approve the above recommendation was made by Mr. Zubia, seconded by Mr. Montoya and passed unanimously.

Recommended Economic Strength Projects
(ESP) – Round 1 FY 2007

	<u>Recommended ESP Project to be Deleted</u>	<u>Awarded Amount</u>
a.	City of Kingman Airport Authority	\$372,690

Board Action: A motion to approve the above recommendation was made by Mr. Feldmeier, seconded by Mr. Montoya and passed unanimously.

	<u>ESP Selection</u>	<u>Recommended Award</u>
b.	City of Kingman Airport Authority	\$397,800
c.	Graham County	\$462,000
	Total	\$859,800

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Feldmeier and passed unanimously.

FY 2007 – 2011 Transportation Facilities Construction
Program - Requested Modifications

ROUTE NO:	SR 202L @ MP 0.0	Page
COUNTY:	Maricopa	
SCHEDULE:	FY 2007	
SECTION:	I-10 to Priest Drive	
TYPE OF WORK:	Sign Rehabilitation	
PROGRAM AMOUNT:	\$1,600,000	
PROJECT MANAGER:	John Hoang	
PROJECT:	H663301C Item # 27205	
REQUESTED ACTION:	Request to decrease funding for the project in the FY 2007 Highway Construction Program, to be moved to a future date. Return funding to FY 2007 Sign Rehabilitation Fund #78307	
PROGRAM AMOUNT:		\$1,600,000
NEW PROGRAM AMOUNT:		\$00

Board Action: A motion to approve the above recommendation was made by Mr. Schorr, seconded by Mr. Zubia and passed unanimously.

ROUTE NO:	I-10 @ MP 60.00	Page
COUNTY:	Yuma	
SCHEDULE:	New Project Request	
SECTION:	Hovatter to SR 85	
TYPE OF WORK:	Sign Rehabilitation	
PROGRAM AMOUNT:		
PROJECT MANAGER:	Richard Weeks	
PROJECT:	H645901C	
REQUESTED ACTION:	Establish a new sign project in the FY 2007 Highway Construction Program. Funding available from FY 2007 Sign Rehabilitation Fund #78307	
PROGRAM AMOUNT:		New Project
NEW PROGRAM AMOUNT:		\$1,200,000

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Feldmeier and passed unanimously.

ROUTE NO:	SR 101L @ MP 8.00	Page
COUNTY:	Maricopa	
SCHEDULE:	New Project Request	
SECTION:	Northern - Grand Ave.	
TYPE OF WORK:	Construct NB Auxillary Lanes	

PROGRAM AMOUNT:
PROJECT MANAGER: Ron McCally
PROJECT: H668301C
REQUESTED ACTION: Establish a new auxillary lane project. **Funding available from FY 2007 District Minor Fund #73307**

PROGRAM AMOUNT: New Project
NEW PROGRAM AMOUNT: \$1,900,000

Board Action: A motion to approve the above recommendation was made by Mr. Zubia, seconded by Mr. Montoya and passed unanimously.

ROUTE NO: SR 99 @ MP 38.1 Page
COUNTY: Navajo
SCHEDULE: FY 2007
SECTION: Jack's Canyon Bridge #1036 and Clear Creek Bridge #1038
TYPE OF WORK: Deck rehabilitation and scour retrofit
PROGRAM AMOUNT: \$ 1,320,000
PROJECT MANAGER: Xuafan Xu
PROJECT: H637701C Item # 19905
REQUESTED ACTION: Request to increase program amount by \$500K to \$1,820K in the FY 2007 Highway Construction Program. **Funds are available from FY 2007 Bridge Inspection and Repair Fund #71407**
PROGRAM AMOUNT: \$1,320,000
NEW PROGRAM AMOUNT: \$1,820,000

Board Action: A motion to approve the above recommendation was made by Mr. Montoya, seconded by Mr. Householder and passed unanimously.

ROUTE NO: US 60 @ MP 339.70 Page
COUNTY: Navajo
SCHEDULE: New Project Request
SECTION: Jct. SR 260 to MP 343
TYPE OF WORK: Pavement preservation
PROGRAM AMOUNT:
PROJECT MANAGER: Aszita Mansor
PROJECT: H681601C
REQUESTED ACTION: Establish a new mill and replace project in the FY 2007 Highway Construction Program. **Funding available from FY 2007 Pavement Preservation Fund #72507**
PROGRAM AMOUNT: New Project
NEW PROGRAM AMOUNT: \$2,800,000

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Montoya and passed unanimously.

ROUTE NO:	I-8 @ MP 71.00	Page
COUNTY:	Yuma	
SCHEDULE:	FY 2007	
SECTION:	Aztec to County Line	
TYPE OF WORK:	Pavement preservation	
PROGRAM AMOUNT:	\$15,000,000	
PROJECT MANAGER:	John Fink	
PROJECT:	H524101C Item #19103	
REQUESTED ACTION:	Reducing a new mill and replace project in the FY 2007 Highway Construction Program. Returning \$5,600K to the FY 2007 Pavement Preservation Fund #72507	
PROGRAM AMOUNT:		\$15,000,000
NEW PROGRAM AMOUNT:		\$9,400,000

Board Action: A motion to approve the above recommendation was made by Mr. Feldmeier, seconded by Mr. Montoya and passed unanimously.

ROUTE NO:	SR 72 @ MP 27	Page
COUNTY:	La Paz	
SCHEDULE:	New Project Request	
SECTION:	Bouse to Vicksburg Rd.	
TYPE OF WORK:	Preventative pavement preservation – chip seal	
PROGRAM AMOUNT:		
PROJECT MANAGER:	Jerry Barnes	
PROJECT:	H703601C	
REQUESTED ACTION:	Request to establish a new chip seal project in the FY 2007 Highway Construction Program. Funds are available from the FY 2007 Preventative Pavement Preservation Fund #77307	
NEW PROGRAM AMOUNT:		\$1,000,000

Board Action: A motion to approve the above recommendation was made by Mr. Feldmeier, seconded by Mr. Montoya and passed unanimously.

ROUTE NO:	I-10 @ MP 152	Page
COUNTY:	Maricopa	
SCHEDULE:	FY 2007	
SECTION:	40th St. to Baseline Rd.	
TYPE OF WORK:	Right of Way acquisition	
PROGRAM AMOUNT:	\$5,000,000	
PROJECT MANAGER:	Patrick Stone	
PROJECT:	Item # 17206	
REQUESTED ACTION:	Defer project from FY 2007 to FY 2008	
PROGRAM AMOUNT:		\$5,000,000

ROUTE NO:	I-10 @ MP 152	Page
COUNTY:	Maricopa	
SCHEDULE:	FY 2007	
SECTION:	40th St. to Baseline Rd.	
TYPE OF WORK:	Design CD road	
PROGRAM AMOUNT:	\$5,775,000	
PROJECT MANAGER:	Annette Riley	
PROJECT:	Item # 40006	
REQUESTED ACTION:	Defer Project from FY 2007 to FY 2008	
PROGRAM AMOUNT:		\$5,775,000

ROUTE NO:	SR 88 @ MP 223.0	Page
COUNTY:	Maricopa	
SCHEDULE:	FY 2007	
SECTION:	Fish Creek Hill	
TYPE OF WORK:	Construct retaining walls	
PROGRAM AMOUNT:	\$1,500,000	
PROJECT MANAGER:	Kwisung Kang / Vicki Bever	
PROJECT:	H692001C Item # 13506	
REQUESTED ACTION:	Defer project from FY 2007 to FY 2008	
PROGRAM AMOUNT:		\$1,500,000

ROUTE NO:	I-17 @ MP 215	Page
COUNTY:	Maricopa	
SCHEDULE:	FY 2007	
SECTION:	101L to SR 74, Carefree Highway	
TYPE OF WORK:	Reconstruct and widen	
PROGRAM AMOUNT:	\$182,000,000	
PROJECT MANAGER:	Stephen Beasley	
PROJECT:	Item # 10308	
REQUESTED ACTION:	Delete project from the Program. Return \$182,000K to FY 2007 RTP Cash Flow	
PROGRAM AMOUNT:		\$182,000,000
NEW PROGRAM AMOUNT:		\$00

ROUTE NO:	SR 303L @ 0.0	Page
COUNTY:	Maricopa	
SCHEDULE:	FY 2007	
SECTION:	Happy Valley Rd. to I-17 Interim	
TYPE OF WORK:	Right of Way acquisition	

PROGRAM AMOUNT: \$26,000,000
PROJECT MANAGER: Patrick Stone
PROJECT: Item # 43907
REQUESTED Delete project from the Program. **Return**
ACTION: **\$26,000K to FY 2007 RTP Cash Flow**
PROGRAM AMOUNT: \$26,000,000
NEW PROGRAM AMOUNT: \$00

ROUTE NO: SR 74 @ MP 0.0 Page
COUNTY: Maricopa
SCHEDULE: FY 2007
SECTION: US 60 Grand Ave. to 303L Estrella
TYPE OF WORK: Right of Way protection
PROGRAM AMOUNT: \$1,000,000
PROJECT MANAGER: Patrick Stone
PROJECT: Item # 40407
REQUESTED Delete project from the Program. **Return \$1,000K**
ACTION: **to FY 2007 RTP Cash Flow**
PROGRAM AMOUNT: \$1,000,000
NEW PROGRAM AMOUNT: \$00

ROUTE NO: SR 303L @ MP 0.0 Page
COUNTY: Maricopa
SCHEDULE: FY 2007
SECTION: Happy Valley Rd to I-17 TI
TYPE OF WORK: Construct traffic interchange
PROGRAM AMOUNT: \$30,000,000
PROJECT MANAGER: Stephen Beasley
PROJECT: H706901C Item # 41407
REQUESTED Defer project from FY 2007 to FY 2008. Request to
ACTION: increase program amount by \$4,000K to \$34,000K
in the FY 2008 Highway Construction Program.
Funds are available from the FY 2007 RTP Cash Flow
PROGRAM AMOUNT: \$30,000,000
NEW PROGRAM AMOUNT: \$34,000,000

ROUTE NO: US 60 @ MP 148.0 Page
COUNTY: Maricopa
SCHEDULE: FY 2007
SECTION: 99th Ave. - 83rd Ave. Bridge
TYPE OF WORK: Capacity additions, major widening
PROGRAM AMOUNT: \$6,500,000
PROJECT MANAGER: Khalid Salahuddin

PROJECT: H669001C Item # 11507
REQUESTED
ACTION: Defer project from FY 2007 to FY 2008. Request to increase program amount by \$3,500,000 to \$10,000,000 in the FY 2007 Highway Construction Program. **Funds are available from the FY 2007 RTP Cash Flow**

PROGRAM AMOUNT: \$6,500,000
NEW PROGRAM AMOUNT: \$10,000,000

ROUTE NO: SR 85 @ MP 152.0 Page
COUNTY: Maricopa
SCHEDULE: FY 2007
SECTION: Southern Avenue to I-10
TYPE OF WORK: Construct roadway
PROGRAM AMOUNT: \$ 11,200,000
PROJECT MANAGER: Orlando Jerez
PROJECT: H595514C Item # 20806
REQUESTED
ACTION: Defer project from FY 2007 to FY 2009. Request to increase program amount by \$18,400K to 29,600K in the FY 2009 Highway Construction Program. **Funds are available from the FY 2009 RTP Cash Flow**

PROGRAM AMOUNT: \$11,200,000
NEW PROGRAM AMOUNT: \$29,600,000

ROUTE NO: I-17 @ MP 215.0 Page
COUNTY: Maricopa
SCHEDULE: New Project Request
SECTION: 101L to Happy Valley Road
TYPE OF WORK: Right of Way activity
PROGRAM AMOUNT:
PROJECT MANAGER: Patrick Stone
PROJECT:
REQUESTED
ACTION: Establish a new Right of Way project in the FY 2007 Highway Construction Program. **Funds are available from FY 2007 RTP Cash Flow**

PROGRAM AMOUNT: New Project
NEW PROGRAM AMOUNT: \$23,000,000

ROUTE NO: I-17 @ MP 218.0 Page
COUNTY: Maricopa
SCHEDULE: New Project Request
SECTION: Happy Valley Rd to Dixileta Dr

TYPE OF WORK: Right of Way activity
PROGRAM AMOUNT:
PROJECT MANAGER: Patrick Stone
PROJECT:
REQUESTED Establish a new Right of Way project in the FY 2007
ACTION: Highway Construction Program. **Funds are available from FY 2007 RTP Cash Flow**
PROGRAM AMOUNT: New Project
NEW PROGRAM AMOUNT: \$11,000,000

ROUTE NO: I-17 @ MP 221.0 Page
COUNTY: Maricopa
SCHEDULE: New Project Request
SECTION: Dixileta Dr - SR 74, Carefree Highway
TYPE OF WORK: Right of Way activity
PROGRAM AMOUNT:
PROJECT MANAGER: Patrick Stone
PROJECT:
REQUESTED Establish a new Right of Way project in the FY 2007
ACTION: Highway Construction Program. **Funds are available from FY 2007 RTP Cash Flow**
PROGRAM AMOUNT: New Project
NEW PROGRAM AMOUNT: \$24,500,000

ROUTE NO: I-17 @ MP 224.0 Page
COUNTY: Maricopa
SCHEDULE: FY 2007
SECTION: SR 74 Carefree Highway TI
TYPE OF WORK: Reconstruct traffic interchange
PROGRAM AMOUNT: \$17,000,000
PROJECT MANAGER: Khalid Salahuddin
PROJECT: H706001C Item # 10804
REQUESTED Request to increase program amount by \$7,000K to
ACTION: \$24,000K in FY 2007 Highway Construction Program. **Funds are available from the FY 2007 RTP Cash Flow**
PROGRAM AMOUNT: \$17,000,000
NEW PROGRAM AMOUNT: \$24,000,000

ROUTE NO: I-17 @ MP 218.5 Page
COUNTY: Maricopa
SCHEDULE: FY 2007
SECTION: Jomax to Dixileta TI
TYPE OF WORK: Construct traffic interchange

PROGRAM AMOUNT: \$40,000,000
PROJECT MANAGER: Stephen Beasley
PROJECT: Item # 40106 JPA 5-133, 06-019
REQUESTED Request to increase program amount by \$7,300K to
ACTION: \$47,300K in the FY 2007 Highway Construction
Program. **Funds are available from the FY 2007
RTP Cash Flow**

PROGRAM AMOUNT: \$40,000,000
NEW PROGRAM AMOUNT: \$47,300,000

ROUTE NO: I-17 @ MP 215.0 Page
COUNTY: Maricopa
SCHEDULE: New Project Request
SECTION: 101L to Jomax Rd
TYPE OF WORK: Reconstruct and widen
PROGRAM AMOUNT:
PROJECT MANAGER: Stephen Beasley
PROJECT:
REQUESTED Establish a new reconstruction project in the FY
ACTION: 2007 Highway Construction Program. **Funds are
available from the FY 2007 RTP Cash Flow**

PROGRAM AMOUNT: New Project
NEW PROGRAM AMOUNT: \$99,000,000

ROUTE NO: SR 101L @ MP 33.5 Page
COUNTY: Maricopa
SCHEDULE: FY 2007
SECTION: 64th Street TI
TYPE OF WORK: Construct traffic interchange
PROGRAM AMOUNT: \$23,000,000
PROJECT MANAGER: Ronald McCally
PROJECT: H624001C Item # 20404
REQUESTED Request to increase program amount by \$3,000K to
ACTION: \$26,000K in the FY 2007 Highway Construction
Program. **Funds are available from the FY 2007
RTP Cash Flow**

PROGRAM AMOUNT: \$23,000,000
NEW PROGRAM AMOUNT: \$26,000,000

ROUTE NO: SR 85 @ MP 139.0 Page
COUNTY: Maricopa
SCHEDULE: FY 2007
SECTION: MP 139.01 to MP 141.71
TYPE OF WORK: Construct roadway

PROGRAM AMOUNT: \$17,300,000
 PROJECT MANAGER: Orlando Jerez
 PROJECT: H595505C Item # 15104
 REQUESTED ACTION: Request to increase program amount by \$8,800K to \$26,100K in the FY 2007 Highway Construction Program. **Funds are available from the FY 2007 RTP Cash Flow**

PROGRAM AMOUNT: \$17,300,000
 NEW PROGRAM AMOUNT: \$26,100,000

ROUTE NO: SR 85 @ MP 150.4 Page
 COUNTY: Maricopa
 SCHEDULE: FY 2007
 SECTION: MC 85 to Southern
 TYPE OF WORK: Construct roadway
 PROGRAM AMOUNT: \$8,500,000
 PROJECT MANAGER: Orlando Jerez
 PROJECT: H595504C Item # 14904
 REQUESTED ACTION: Request to increase program amount by \$5,300K to \$13,800K in the FY 2007 Highway Construction Program. **Funds are available from the FY 2007 RTP Cash Flow**

PROGRAM AMOUNT: \$8,500,000
 NEW PROGRAM AMOUNT: \$13,800,000

ROUTE NO: SR 87 @ MP 194.0 Page
 COUNTY: Maricopa
 SCHEDULE: FY 2007
 SECTION: Forest Boundary - New Four Peaks
 TYPE OF WORK: Shoulder widening, median crossovers, and TI construction
 PROGRAM AMOUNT: \$18,000,000
 PROJECT MANAGER: Kwisung Kang
 PROJECT: H521101C Item # 13406
 REQUESTED ACTION: Request to increase program amount by \$3,500K to \$21,500K in the FY 2007 Highway Construction Program. **Funds are available from the FY 2007 RTP Cash Flow**

PROGRAM AMOUNT: \$18,00,000
 NEW PROGRAM AMOUNT: \$21,500,000

Mr. Buskirk said that we can speed the process by providing an overview of the requested changes to the program in the Maricopa region. That would be agenda items 21 through 40. Placed at your desk is a copy of the power point presentation that summarizes the changes being requested in the program.

Does anybody have objection to propelling the process by condensing these particular items?

Mr. Mendez asked does that include Item 23. In reply, it does.

Mr. Montoya said that he would like to ... the right to ask questions. In reply, sure.

Mr. Buskirk proceeded referring to a power point presentation. These are the proposed program changes for FY 2007. First there are a number of schedule changes; there are two projects on Interstate 10, one on SR 88 that is being deferred from FY 2007 to 2008. Additionally in FY 2007, there are some project cost changes and there are six projects that are listed that require the program amount to be increased. The increase for all six projects is \$34.9 million. (cassette tape change) Two projects on I-17, two projects on SR 85, two projects on SR 85, a project on SR 87 and a project on the 101 Loop. Note that the six projects experienced increases. These are major unit price increases that are reflected in that request. This is why additional funding has been programmed. There are a number of projects here, three that reflect both a schedule and a cost change. Cost change for these three projects total \$25.9 million. The project on US 60 is moving from 2007 to 2008 with an increased amount to be programmed. The project on SR 85 is moving from FY 2007 to FY 2009, with significant cost increase and the project on the 303 Loop is moving from FY 2007 to FY 2008 again with an increase in cost. There are a number of new projects to be created in the FY 2007 program year. They are right-of-way projects on Interstate 17, 101 Loop to Happy Valley Road in the amount of \$23 million. Again a right-of-way acquisition in FY 2007 on Interstate 17 at Happy Valley Road to Dixileta for \$11 million and from Dixileta from Carefree Highway – SR 74, a 2007 project in the amount of \$24.5 million. Again, we have three new projects for right-of-way acquisition in FY 2007 and they are all fairly substantial costs. This details the reasons as to why these new projects in the amounts requested are needed. Primarily, there has been a change from the DCR to the plans and those changes require that there be additional right-of-way required. You can see the amounts detailed for each projects additional right-of-way to be acquired. In addition to actually requiring more right-of way, there has been a significant appreciation as I think you can well understand, particularly with the Jomax-Dixileta segment. We had made estimates in 2004 about how much we would be paying for right-of-way mainly \$2 - \$4 per square foot. And in 2006, our estimates are considerably higher anywhere from \$8 - \$10 per square foot. And we're not even sure we can get that amount because a number of owners are asking even more \$12 - \$14 per square foot.

Mr. Montoya asked what the procedure for acquiring this right-of-way is.

Mr. Hayden from the Valley Freeway Group said that we do not pay what the owners are asking but rather according to the current market value.

I believe that at one time we had a presentation on that process and that was several years ago so maybe that would be in order again.

Mr. Schorr asked from the time you decide you need to provide this right-of-way, how much time do you generally allow for the negotiation process before you file the action.

In reply, first we have to establish through the design plan, how much right-of-way or driveway footprint is necessary to begin our process of identifying specific parcels that are whole paves or partial paves. Once that has been decided we usually use the appraisers. The market in Arizona is fast paced.

Once the title work has been completed, the appraisals are completed. And then we contact the property owner or owners, make an offer based on those appraisals and that is the onset of negotiation. If we have a project that is in the very near future, we would require an accelerated negotiation phase and that would be established at the onset of negotiation. That could be one month, three months, six months, etc. We attempt to negotiate an agreement with the owners as quickly as possible. I would like to say we could do it within a month but reality is that it's not always the case.

Moving along with additional proposed program changes, request to delay projects and create new projects to delete the I-17, 101 Loop to SR 74 construction project in the amount of \$182 million from the FY 2007 program year. And to establish a project on I-17, 101 Loop to Jomax Road, a construction project in the amount of \$99 million for FY 2007. And to establish another project from Jomax Road to SR 74 for \$83 million and program that in FY 2008. We delete one project; divide it into two and change the program year for the second half of that project. We make some additional program changes, delete and create new projects and again delete the 303 Loop project from Happy Valley to I-17, right-of-way acquisition for the amount of \$26 million. Create a project for right-of-way on the Estrella Freeway, Happy Valley Road to Lake Pleasant Road for the amount of \$36.3 million in FY 07. Again on the 303 Loop, from Lake Pleasant Road to I-17, right-of-way acquisition in the amount of \$40 million to be programmed in FY 2008. And delete a right-of-way project on SR 74 in the amount of \$1 million. That summarizes the changes recommended to the MAG program that are found in your agenda Items 21 through 40.

Mr. Zubia: I know that one, maybe more of these projects where we're requesting increases, also involve HELP loans. How does that affect the HELP loan after those communities approve the increase because I'm assuming that will increase their commitment?

I don't believe any of these considered projects use HELP funds. These are just other regular projects.

I stand corrected.

Victor, are you going to recount this or is this it?

Mr. Mendez: This is the presentation that we need to entertain.

Mr. Feldmeier: Just for verification, because I want to understand better how this is going to work in the long run; this is a fairly detailed explanation on how you're moving money around and shifting projects over a period of time. When we were at the groundbreaking yesterday, I called my wife and told her I'm at a groundbreaking for a project in Tucson. She said great, how much is it? It's \$200 million. She said it's a lot of money; when are you going to do something with I-17. I said well we're working on it. There are constituencies who are very interested in including I-17. Let me try and track this the way that I understand it to make sure I'm on the right path. So with this money that is moving around and with the STAN money, we have scheduled for the completion of I-17 in terms of widening, all purpose lane and HOV lane from the 101 Loop to Anthem, is that correct?

Mr. Mendez: I think the question here is what's the scope of the work between Loop 101 to Anthem. Then we can splice it down further.

This is a combination of this particular adjusting of projects in conjunction with the STAN

Let's begin with the 101 and extend north to the Carefree Highway that is 9.6 miles in play. With the fiscal '07 program and leading into '08, we have a program planned to add general purpose lanes, north bound and south bound, and HOV lanes from the 101 Loop to the Carefree Highway. That is number one. Part two, which is not part of this presentation but part of the STAN presentation, is the construction of 5.1 miles that will go from the Carefree Highway to Anthem. Those are for general purpose lanes only and do not include HOV lanes. The next section is from Anthem to New River is in our advance design unit that ADOT is currently designing. I think the dates move out to phase III, which would be 2010, the latter part of 2015 before there would be any work north of Anthem as far as adding general purpose lanes. That is in process.

Mr. Mendez: at this particular point, we probably need limits of what we're actually doing here, not what's projected in the future.

I think the concept we're getting now will help us.

Mr. Mendez: I just want to make sure that the thinking is proper.

Eric Anderson, Transportation Director for MAG, stated that the project from Anthem to New River Road actually is a phase IV project and scheduled for construction in 2023 at this point in time. One of the things that we discussed yesterday; traffic volumes, north of Carefree Highway drop off significantly and again drop off as you go north of Carefree Highway. Just know the major drop off as you pass Anthem. The traffic volumes between Carefree and Anthem range from 60,000 to 65,000 average daily traffic. North of Anthem, between Anthem and New River Road it drops down to the mid 40,000 range. We see significant drop off in volume. That is one of the factors that went in to the decision by MAG Regional Council to use the STAN funding to fund construction of the Carefree Highway to Anthem. Certainly if there is additional money to supplement projects the next one will I think the Anthem, New River will receive very high consideration. A lot of the on I-17 are really the start within that section of 101 and Carefree Highway so a lot of the backups you see north of the Carefree Highway actually originate down in to the 101, Carefree Highway section. We've done some analysis on that. We believe that the widening that's already planned for '07 and '08 plus the additional widening to Anthem will make a significant amount of difference in the movement on I-17.

We draft all the active and proposed developments in the Maricopa County area and that meets directly in our traffic modeling. Some of those developments north of Carefree Highway certainly will have major impacts on I-17. That is another reason why we think improvements to the New River Road, Spur Road, west of I-17 is also important. In addition, Maricopa County as well as city meetings are planning to extend the North Parkway, on the east side of I-17, once again providing some of that local circulation traffic up in the north Phoenix area taking some of that burden off I-17 once you get those projects planned in the next few years.

Mr. Montoya: To follow up on the discussion of the general purpose lanes from Carefree to Anthem, what studies were done and were there any discussions about having an HOV lane and the cost this would entail? Were those discussions held?

In reply, yes, discussions were held. We were prioritizing those projects, particularly we looked at the project's eligibility for STAN funding. We looked at if it would be feasible to do that. Traffic falls off significantly as we go north of Anthem and it didn't appear at this time that an HOV lane was warranted.

In the discussions that you had about real estate right-of-way acquisition and cost of construction, I believe I asked Gary the question yesterday of what the anticipated traffic counts would be in the next five years. He refreshed my memory and to Mr. Schorr's question, what is the anticipated growth in the next five years? Are we going to be, in five years, sitting here wishing we had done an HOV lane? What are those costs today as compared to what it will be in five years?

In reply, MAG's region is growing 135,000 persons a year. This puts a tremendous amount of burden on our entire transportation system, not just the highway system. We are working feverishly to build as many new projects and widen existing infrastructure as quickly as possible. It all comes down to the money and in fact we had significant 303 construction project which this fiscal year work will begin on the I-17 to the 303 traffic interchange. That facility once again is a key part of regional mobility in the region. That facility is probably in the \$1.5 to \$2 billion range. That will be completed in the next ten years also. As you look at I-10, we are making improvements on I-10, on the Loop 202, and all around the valley. So in the ideal world, where money was not a constraint, we certainly would like to do a maximum amount of widening as quickly as we can but we are really trying to deal with a lot of issues throughout the region and we have to some how make sure that we are dealing with issues all across the region, not just in one area. Although the impact on I-17, we certainly recognize the major statewide facility, very key for mobility to and from the northern parts of Arizona. We actually are kicking off a study next fiscal year with Yavapai County and the Central Yavapai MPO looking at the transportation issues between northern Maricopa and Southern Yavapai County too. We think that not only improvements on the 17 are needed but certainly 93, as well as other opportunities. We are looking very aggressively at this issue as well as all the other issues we are trying to deal with in the MAG region.

Mr. Feldmeier: I believe there are also strong needs for improvements on I-17 outside of Maricopa County. I would like to know, if we are prepared (in the case that we have additional STAN money from the Legislature this coming session), to act on behalf of Interstate 17 this coming year? I want to make sure that over the course of the next few months that what work there may need to be done to establish a foundation for that work hopefully takes place and that we stay ahead. Victor, I would like to know if you could bring that information back to us, along with the other information you are going to put together for us, in the next thirty days and that we might be able to talk about that as part of Interstate 17.

Mr. Mendez: A lot of the factors we're talking about here, clearly if we look at Move AZ, we've identified I-17 as one of our high priorities along with I-10 and many others. I want to get a better sense of the scope. I think I understand it. How I-17 plays in to that I don't know. It's part of the northern Arizona discussion. And clearly within the MAG arenas, we have looked at the region on a regional basis, looking at all the needs throughout the entire region. I can't sit here and guarantee that we're going to absolutely improve I-17. I think you understand that within the framework of MAG and the statewide highways, it is a priority, as is I-10 and all the others. So we need to balance that out. Clearly, I think we understand the importance of it.

This is a decision for another day, I understand that. I'm not trying to lock ourselves into it. I'm just wondering should we have the option available to us at the appropriate time.

Mr. Montoya: You made a comment about the development that is going on between Carefree and Anthem. There have been discussions on the east side. Is that what you said Eric, or was that the west side for an alternate?

There are planned projects for both east and west of I-17.

Mr. Montoya: We have the county and the city looking at, rather than just dumping everything on 17. We're looking at other alternate routes, as well.

Yes, that is exactly right, we are trying to define alternative routes so we can take some of that pressure off I-17.

I think that will greatly help with alleviating traffic.

Board Action: A motion to approve Items 21 through 40 inclusively with the exception of Item 37 was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

ROUTE NO:	SR 303L @ MP 0.0	Page
COUNTY:	Maricopa	
SCHEDULE:	New Project Request	
SECTION:	Happy Valley Rd to Lake Pleasant Rd	
TYPE OF WORK:	Right of Way Activity	
PROGRAM AMOUNT:		
PROJECT MANAGER:	Patrick Stone	
PROJECT:		
REQUESTED ACTION:	Request to establish a new Right of Way project in the FY 2007 Highway Construction Program.	
	Funds are available from the FY 2007 RTP Cash Flow	
PROGRAM AMOUNT:		New Project
NEW PROGRAM AMOUNT:		\$36,300,000

Board Action: A motion to approve the above recommendation was made by Mr. Schorr, seconded by Mr. Montoya and passed unanimously. Mr. Zubia recused himself from this Item.

FY 2007-2011 Airport Development Program – Requested Modifications

AIRPORT NAME:	Cottonwood	Page
SPONSOR:	City of Cottonwood	
AIRPORT CATEGORY:	Public GA	

SCHEDULE:	FY 2007 – 2011	
PROJECT #:	E7F68	
PROGRAM AMOUNT:	New Project Request	
PROJECT MANAGER:	Ed Suserud	
PROJECT DESCRIPTION:	Construct Perimeter Road; Perimeter Fencing, Phase 2.	
REQUESTED ACTION:	Approve State Matching Grant for FAA Grant AIP 3-04-0012-11.	
FUNDING SOURCES:	FAA	\$152,500
	Sponsor	\$4,013
	State	\$4,014
	<i>Total Program</i>	\$160,527

AIRPORT NAME:	Williams Gateway	Page
SPONSOR:	Williams Gateway Airport Authority	
AIRPORT CATEGORY:	Reliever	
SCHEDULE:	FY 2007 – 2011	
PROJECT #:	E7F69	
PROGRAM AMOUNT:	New Project Request	
PROJECT MANAGER:	Tammy Martelle	
PROJECT DESCRIPTION:	Construct Taxiway B, Phase 2.	
REQUESTED ACTION:	Approve State Matching Grant for FAA Grant AIP 3-04-0078-018.	
FUNDING SOURCES:	FAA	\$2,400,000
	Sponsor	\$63,160
	State	\$63,160
	<i>Total Program</i>	\$2,526,320

AIRPORT NAME:	Springerville Municipal	Page
SPONSOR:	Town of Springerville	
AIRPORT CATEGORY:	Public GA	
SCHEDULE:	FY 2007 – 2011	
PROJECT #:	E7S70	
PROGRAM AMOUNT:	New Project Request	
PROJECT MANAGER:	Kenneth Potts	
PROJECT DESCRIPTION:	Prepare Rates and Charges Study in association with the Master Plan Update.	
REQUESTED ACTION:	Approve State Grant to complete a Rates and Charges Study. Board Policy allows funding of this study due to no FAA funding.	
FUNDING SOURCES:	FAA	\$0
	Sponsor	\$425
	State	\$3,825
	<i>Total Program</i>	\$4,250

AIRPORT NAME:	Show Low Regional	Page
SPONSOR:	City of Show Low	
AIRPORT CATEGORY:	Commercial Service	
SCHEDULE:	FY 2007 – 2011	
PROJECT #:	E7S71	
PROGRAM AMOUNT:	New Project Request	
PROJECT MANAGER:	Michael Klein	
PROJECT DESCRIPTION:	Design and construct South Hanger Apron, (approximately 8,700 SY) and design aircraft parking apron, (approximately 26,100 SY).	
REQUESTED ACTION:	Taxiway project was in the original 2007 ACIP but was dropped out. This will replace it in the system. Construction of the apron will be by the FAA after design and bids are completed.	
FUNDING SOURCES:	FAA	\$0
	Sponsor	\$78,200
	State	\$703,800
	<i>Total Program</i>	\$782,000

FY 2007-2011 Airport Development Discussion and Possible Action
Program – Requested Modifications

a.	AIRPORT NAME:	Cochise County	Page
	SPONSOR:	Cochise County Airport	
	AIRPORT CATEGORY:	Public GA	
	SCHEDULE:	FY 2007 – 2011	
	PROJECT #:	E5S14	
	PROGRAM AMOUNT:	Project Change Request	
	PROJECT MANAGER:	Tammy Martelle	
	PROJECT DESCRIPTION:	Construct Apron (2500 SF); Construct Partial Taxiway (3,050' x 35')	
	REQUESTED ACTION:	The sponsor is requesting STB approval of Engineer's emergency remedy increasing the grant by the amount of \$222,921	
	FUNDING SOURCES:	FAA	\$0
		Sponsor	\$79,633
		State	\$716,685
		<i>Total Program</i>	\$796,318

Board Action: A motion to approve Items 41, 42, 43, 44 and 44A was made by Mr. Montoya, seconded by Mr. Householder and passed unanimously.

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 - Minutes from the November 13th Special PPAC Meeting
 - Minutes from the November 29th PPAC Meeting
 - November 2006 Highway Program Monitoring Report
 - Approved Changes to the FY 2007 – 2011 Highway Construction Program Fiscal Year Summary

Next regular scheduled meetings of the Priority Planning Advisory Committee (PPAC). Times and dates of meetings could vary and will be announced at time of agenda distribution.

- January 3, 2007 10:00 AM
- February 7, 2007 10:00AM
- March 7, 2007 10:00 AM
- April 4, 2007 10:00 AM
- May 2, 2007 10:00 AM
- June 6, 2007 10:00 AM
- June 27, 2007 10:00 PM
- August 1, 2007 10:00 AM
- September 5, 2007 10:00 AM
- October 3, 2007 10:00 AM
- November 7, 2007 10:00 AM
- December 5, 2007 10:00 AM

<http://ADOTPPAC.ORG/>

Board Action: A motion to approve the above Item was made by Mr. Zubia, seconded by Mr. Montoya and passed unanimously.

RIGHT OF WAY RESOLUTIONS

- *

RES. NO:	2006-12-A-054
PROJECT:	N-810-601 / 101LMA020H088801R
HIGHWAY:	AQUA FRIA FREEWAY/PIMA FREEWAY
SECTION:	51 st Ave. – Jct. I-17
	Jct. I-17 – Cave Creek Rd. (Jct. 101L & I-17)
ROUTE NO.:	State Route 101 Loop
ENG. DIST:	Phoenix
COUNTY:	Maricopa
DISPOSAL:	D-M-278
RECOMMENDATION:	Disposal by Abandonment to the City of Phoenix for a continued public transportation use.

- *

RES. NO:	2006-12-A-055
PROJECT:	RS-347(10) / 347PN174H277802R
HIGHWAY:	MARICOPA ROAD
SECTION:	S.R. 84 - Maricopa
ROUTE NO.:	State Route 347
ENG. DIST:	Tucson

COUNTY: Pinal
RECOMMENDATION: Establish a drainage facility in fee title as a state route and state highway by donation into the State Highway System, as constructed under an Arizona Department of Transportation Permit by Developer.

* RES. NO: 2006-12-A-056
PROJECT: S-326-714/260YV218H386801R
S-326-715/260YV206H386802R
HIGHWAY: COTTONWOOD-CAMP VERDE-MOGOLLON RIM
SECTION: (Old S.R. 260, Main St., Finnie Flat Rd., Various Frontage Road Improvements)
ROUTE NO.: State Route 260
ENG. DIST: Prescott
COUNTY: Yavapai
RECOMMENDATION: Disposal by Abandonment to The Town of Camp Verde in accordance with various Intergovernmental Agreements for a continued public transportation use

* RES. NO: 2006-12-A-057
PROJECT: S-586-802 / 010BLA018H519601R
I-10-1-801 / 010LA019H473101R
HIGHWAY: QUARTZSITE BUSINESS ROUTE / EAST QUARTZSITE T.I.
SECTION: B-10-Quartzsite / East Quartzsite T.I.
ROUTE NO.: State Route B-10
ENG. DIST: Yuma
COUNTY: La Paz
RECOMMENDATION: Disposal by Abandonment to The Town of Quartzsite per Intergovernmental Agreement No. 03-33, dated December 17, 2003 for a continued public transportation use

STATE ENGINEER'S REPORT

Mr. Elters reported on construction and projects completed in November, 2006. We currently have 66 projects under construction for a total of approximately \$804.2 million. The Department finalized six projects in November totaling approximately \$10.7 million. Fiscal year-to-date, we have finalized 55 projects.

CONSTRUCTION CONTRACTS

Interstate Non-Federal Aid

BIDS OPENED:

November 16

HIGHWAY: PHOENIX-CASA GRANDE HIGHWAY (I-10)

SECTION: Van Buren Street – Baseline Road

COUNTY: Maricopa

ROUTE NO.: I-10

PROJECT: 010-C-NFA 010 MA 147 H695601C

FUNDING: 100% State

LOW BIDDER: Fisher Sand & Gravel Co. dba
Southwest Asphalt Paving

AMOUNT: \$ 8,456,167.00

STATE AMOUNT: \$ 8,698,983.00

\$ UNDER: \$ 242,816.00

% UNDER: 2.8%

NO. BIDDERS: 3

RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Zubia, seconded by Mr. Montoya and passed unanimously. Mr. Schorr recused himself from this Item.

Interstate Federal-Aid (“A” “B”) projects do not need FHWA concurrence, but must comply with DBE regulations; other projects are subject to FHWA and/or local government concurrence and compliance with DBE regulations)

BIDS OPENED:

November 9

HIGHWAY:

YUMA-CASA GRANDE HIGHWAY (I-8)

SECTION:

Aztec – County Line

COUNTY:

Yuma

ROUTE NO.:

I-8

PROJECT:

IM-008-1(200)A 008 YU 071 H524101C

FUNDING:

94% Federal 6% State

LOW BIDDER:

Meadow Valley Contractors, Inc.

AMOUNT: \$ 7,274,528.30

STATE AMOUNT: \$ 10,392,401.00

\$ UNDER: \$ 3,117,872.70

% UNDER: 30.0%

NO. BIDDERS: 6

RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Montoya and passed unanimously. Mr. Schorr recused himself from this Item.

Non-Interstate Federal-Aid (“A” “B”) projects do not need FHWA concurrence, but must comply with DBE regulations; other projects are subject to FHWA and/or local government concurrence and compliance with DBE regulations)

BIDS OPENED: November 3
HIGHWAY: CASA GRANDE - LA PALMA HIGHWAY (SR 287)
SECTION: SR 287 – Eleven Mile Corner Road
COUNTY: Pinal
ROUTE NO.: SR 287
PROJECT: HES-287-A(002)A 287 PN 122 H608201C
FUNDING: 94% Federal 6% State
LOW BIDDER: Show Low Construction, Inc.
AMOUNT: \$ 990,682.20
STATE AMOUNT: \$ 1,226,788.00
\$ UNDER: \$ 236,105.80
% UNDER: 19.2%
NO. BIDDERS: 3
RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Montoya and passed unanimously. Mr. Schorr recused himself from this Item.

BIDS OPENED: November 3
HIGHWAY: STATEWIDE NON-INTERSTATE
SECTION: Northern Region Non-Interstate
SECTION: Western Region Non-Interstate
COUNTY: Statewide
ROUTE NO.: N/A
PROJECT: HES-900-A(069)A 999 SW 000 H598002C
PROJECT: HES-900-A(070)A 999 SW 000 H598003C
FUNDING: 94% Federal 6% State
LOW BIDDER: Surface Preparation Technologies, Inc.
AMOUNT: \$ 529,949.48
STATE AMOUNT: \$ 747,485.00
\$ UNDER: \$ 217,535.52
% UNDER: 29.1%
NO. BIDDERS: 3
RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Feldmeier and passed unanimously.

Non-Interstate Non-Federal Aid

BIDS OPENED:	November 16
HIGHWAY:	PARKER-BULLHEAD CITY HIGHWAY (US 95)
SECTION:	Aztec Road to Camp Mohave Road
COUNTY:	Mohave
ROUTE NO.:	US 95
PROJECT:	S-095-D-507 095 MO 237 H597201C
FUNDING:	100% State
LOW BIDDER:	Fann Contracting, Inc.
AMOUNT:	\$ 2,037,684.50
STATE AMOUNT:	\$ 1,813,290.00
\$ OVER:	\$ 224,394.50
% OVER:	12.4%
NO. BIDDERS:	4
RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Feldmeier, seconded by Mr. Zubia and passed unanimously. Mr. Schorr recused himself from this Item.

Comments and Suggestions

Board Members had the opportunity to suggest items they would like to have placed on future Board Meeting Agendas. Chairman Martin: I believe we have two acquisitions from the Study Session on how that process is done. We have I-17 needs. Do we have any other comments or suggestions?

Mr. Mendez: Earlier today I asked you to provide me with input on the study suggested yesterday. I was informed that it's important for you to send me comments directly and not share it with others. There might be concerns about the Open Meeting law. To be on the safe side, send me your comments and we'll come back to you with a compiled version of those comments.

Mr. Schorr: I think it might be better to have an Executive Session where we can discuss all of these items with you and have a collective result. I would suggest that the next meeting become an Executive Session to discuss those things and other matters.

Mr. Mendez: To clarify, in the next thirty days, you will be sending me comments on this study to help us establish a scope for better understanding. And so we'll get those comments throughout the month.

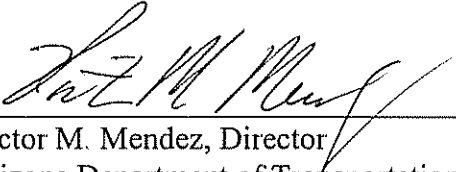
CONSENT AGENDA

Board Action: A motion to approve the Consent Agenda was made by Mr. Householder, seconded by Mr. Zubia and passed unanimously.

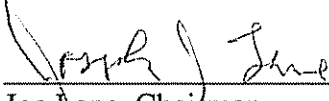
ADJOURN

Board Action: A motion to adjourn was made by Mr. Montoya, seconded by Mr. Householder and passed unanimously.

The meeting adjourned at 12:10 p.m.



Victor M. Mendez, Director
Arizona Department of Transportation



Joe Lane, Chairman
State Transportation Board

*Denotes items approved in the consent agenda.